MiFID II Transaction INTC Updates

Processing Requirements

ICE Inc.

Version: 1.0

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Document Administration

Version History

Date	Version	Version State	Summary of Changes
5-April-2023	1.0	Public	Initial version

Note: See Appendix 1 - Reference Items for external reference documents and terms.

Notes to Reader

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.

MiFID II Transaction INTC Updates
Submission Process Specification for Exchange Members Designated as a Non-Investment Firm

1 Introduction

1.1 About MiFID II

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

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 or UK venue or OTC, to their competent regulatory authority. The details of transactions executed on an EU trading venue by Members who are not require to report the transaction to a national competent authority should be reported by that venue.

There are now two versions of MiFIR:
1) The EU version of the Regulation which applies to ICE Endex
2) The UK version of the Regulation which applies to ICE Futures Europe

ICE Endex's reporting obligation is to report all transactions which are not reported by the Members of the Exchange to their NCA. In practice this means transactions executed by Members who are not Investment Firms or Credit Institutions.

ICE Futures Europe's reporting obligation is to report all transactions that are successful bids in a UK Emission Allowance Auction and to report all transactions which are not reported by the Members of the Exchange to the FCA (either directly or via an ARM). In practice this means transactions executed by Members of the Exchange who are not Investment Firms or Credit Institutions authorised by the FCA and transactions executed by the non-UK branches of Members who have a GEN 2.2.22A/Supp 17A1.2 authorisation to conduct investment business in the UK from their UK branches.

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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).

The reporting process described in this document applies to both exchanges and their compliance with their respective versions of MiFIR.

ICE provides a facility for Non-MiFID Investment Firms to submit specific types of transaction updates after they have been executed on the exchange. This document sets out the technical details of that process.

2 Exchanges' Reporting Requirement

When a Member sends an order to the Exchanges identifying the client as "Pending Allocation" or "PNAL" and the order executes into a trade which the Exchanges are required to transaction report the Member will need to provide the identity of the client to the Exchange subsequently so that the Exchange can report the transaction with the details of the client. The client will need to be available in the Exchange's ICE Identifier Admin database (IIA).

When a Member sends an order to the Exchanges identifying the client as "Aggregated Order" or "AGGR" and the order executes into a trade which the Exchanges are required to transaction report the Member will need to identify the clients and the individual trading quantity of each client subsequently so that the Exchanges can report the on-Exchange trade and also the off-exchange client trades. Again the clients will need to be available in IIA.

The reporting requirement also applies to block trades that the Exchanges are required to report where the block has been submitted with client identified as "PNAL" or "AGGR".

The short codes identifying the clients need to be created in the trading company into which the transactions were executed.

For the absence of doubt this requirement does not apply to orders that do not execute. Nor does it apply to transactions that the Exchanges are not required to transaction report.

The requirement will not apply retroactively, it will apply to all transactions after an implementation date in the fourth quarter of 2023 that the Exchanges will announce.

2.1 Document Purpose

This document provides technical specifications for the submission of specific types of transaction updates that Firms may supply to the Exchanges, such that the updates can be reported to the appropriate NCA. The intention of the document is to provide analysts and technical staff of those entities with sufficient information to design solutions for producing and submitting the transaction update files, as they deem necessary.

2.2 Document Conventions

- This document is written from 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:
  - o MiFID II RTS 22
  - o ICE Identifier Admin Application

3 ICE Transaction INTC Update Methodology

3.1 High Level Overview

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

- Member retrieves their MiFID Transaction INTC Report file(s) from their mifid folder on MFT (MIFID/Reports/INTC).
- Member provides the transaction INTC client information according to one of the supported scenarios (refer to section 3 - "ICE Transaction INTC Update Scenarios").
- Member generates records in the same format as the MiFID Transaction INTC Report file they downloaded.
- Member uploads Transaction INTC Update file to the submission/INTC folder in their mifid MFT folder.
- ICE processes updates, which includes:
  - o Validating the submission records
  - o Submitting valid records to appropriate NCA

3.2 Common Approach for Transaction Update Submissions

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

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

4 ICE Transaction INTC Update Scenarios

4.1 Pending Allocation Update

The Exchange Member listed on a transaction provides a pending allocation update on a transaction that is in a 'PENDING_INTC' status. This is accomplished by submitting:

- A single record that is a full copy of the original INTC record, with the following updates:
  - o Ensure the NEW_CLIENT_SHORT_CODE column is populated with a valid Client Short Code that has been created in IIA.

4.2 Aggregated Transaction Update

The Exchange Member listed on a transaction needs to provide an aggregated transaction update on a transaction that is in a 'PENDING_INTC' status. Member should provide the quantity allocated to each client. This is accomplished by submitting:

- At least two records that is a full copy of the original INTC record, with the following fields populated where applicable:
    - Ensure the NEW_CLIENT_SHORT_CODE field is populated with a valid Client Short Code that has been created in IIA.
    - Ensure the NEW_QUANTITY field is populated and the sum of total quantity of the submitted records is equal to the quantity of the original record.

5 MiFID II Exchange Member Transaction INTC Update File Submissions

5.1 File Submission Timings

MiFIR requires both Exchanges to report transactions to their NCA by the close of business on the day following the trade date of a transaction. The Exchanges therefore require Members to supply the required data files by 16:00 UK time on the business day following trade date.

Transaction files received before 16:00 UK time on a given business day, will be candidates for inclusion with the regulatory reports generated for that business day. For example, reports received on or before 15:59:59 UK time on 23-Aug-2023 are candidates to be included with the reporting for trade activity that occurred on the 22-Aug-2023 trading date. Reports received after this time are candidates to be processed on the next day reporting activity.

5.2 File Numbers and contents

Although this process supports the MiFIR compliance of two Exchanges, Members will receive a single file each day. Similarly, Members can return a single file with data records for both Exchanges. Members can send more than one file to the Exchanges in a single working day. Where a Member sends more than one record to supply the client for a specific execution the last version that the Exchanges receive will be used to complete the reporting process.

If the Member does not supply the short code required to complete the reporting, the transaction will appear in the file the following day.

If the Member has no transactions requiring updated client information no file will be produced for that Member.

5.3 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.

5.4 Transaction INTC Update File Specifications

5.4.1 File Characteristics

- CSV file in the same format as the Member's MiFID Transaction INTC Report file

5.4.2 File Names

Transaction INTC File Syntax:
<MNEMONIC>_<TINTC>_<CLIENTS>_<MNEMONIC>_<LEI>_YYYYMMDD_<Version>.csv

Example: XYX_TINTC_CLIENTS_XYZ_XYZ12345678901234567_20230823_01.csv

Note:

- The date represents the Business Date the file was created.
- The Version starts at "01" for the first file for a given Mnemonic and Trade Date. If subsequent files are submitted for the same Mnemonic and Trade Date, they are incremented by 1.

5.5 CSV File Format and Mapping

Field #	Column Header	Description
1	TRANS_REF_NUM	Internal ID unique for each transaction
2	QUANTITY	The number of units of the financial instrument, or the number of derivative contracts in the transaction
3	PRICE	Traded price of the transaction
4	CLIENT_SHORT_CODE	Short code of the client associated with the participant of the trading venue
5	MIC	The primary key identifying an exchange
6	PCC	Physical Commodity Code
7	ISIN	Contract International Securities Identification Number or ISIN
8	FISN	Financial Instrument Short Name
9	ORIGINAL_REF_ORDER_ID	The Original Order that was floated into the exchange
10	USER_ID	Originator/Taker user_id
11	ATID	ID that identifies an individual or Automated Trading System (ATS) entering orders on the ICE Trading Platform via a FIX Trader ID
12	ACCOUNT_ID	Account_ID associated with the User ID
13	CUSTOMER_ACCOUNT_REFRENCE	Customer account reference information from the traders to Orders/Trades
14	TRADING_COMPANY_ID	Company ID of the trading firm which executed the trade
15	NEW_CLIENT_SHORT_CODE	New Client ID Short Code provided by member
16	NEW_ QUANTITY	New quantity provided by member to denote single trade which is sub-divided between multiple clients

6 Transaction INTC Update File Validations and Responses

6.1 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 file date	• The date portion of the file name is for a future date in UTC time
TUFIL-004	Invalid sequence number	• The sequence portion of the file is not a value between "01" and "99"
TUFIL-005	Duplicate sequence number	• The sequence number has already been submitted for the day
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 Mnemonic and Trade Date, or the sequence provided was not one greater than the previous one for the MIC and Trade Date.

6.2 Record Level Validations

Any of the following exceptions on a given record result in the record not being processed.

Exception Code	Exception Message	Example Triggering Event(s)
TUREC-001	Incoming Record does not match a supported business scenario.	• The Trans INTC Update Scenario cannot be matched to a scenario defined in section 4 - "ICE Transaction INTC Update Scenarios".
TUREC-002	Unauthorized Transaction INTC Update	• Users cannot update an INTC Transaction record that have already been updated and submitted to an NCA
TUREC-003	Invalid Transaction Reference Number	• The TRANS_REF_NUM specified does not match to the original TRANS_REF_NUM provided in the MiFID Transaction INTC Report file.
TUREC-004	Invalid Quantity	• The quantity specified does not match to the original quantity provided in the MiFID Transaction INTC Report file
TUREC-005	Invalid Price	• The Price specified does not match to the original Price provided in the MiFID Transaction INTC Report file.
TUREC-006	Invalid CLIENT_SHORT_CODE	• The CLIENT_SHORT_CODE specified does not match to the original CLIENT_SHORT_CODE provided in the MiFID Transaction INTC Report file.
TUREC-007	Invalid MIC	• The MIC specified does not match to the MIC provided in the MiFID Transaction INTC Report file.
TUREC-008	Invalid PCC	• The PCC specified does not match to the PCC provided in the MiFID Transaction INTC Report file.
TUREC-009	Invalid ISIN	• The ISIN specified does not match to the ISIN provided in the MiFID Transaction INTC Report file.
TUREC-010	Invalid FISN	• The FISN specified does not match to the FISN provided in the MiFID Transaction INTC Report file.
TUREC-011	Invalid ORIGINAL_REF_ORDER_ID	• The ORIGINAL_REF_ORDER_ID specified does not match to the ORIGINAL_REF_ORDER_ID provided in the MiFID Transaction INTC Report file.
TUREC-012	Invalid USER_ID	• The USER_ID specified does not match to the USER_ID provided in the MiFID Transaction INTC Report file
TUREC-013	Invalid ATID	• The ATID specified does not match to the ATID provided in the MiFID Transaction INTC Report file
TUREC-014	Invalid ACCOUNT_ID	• The ACCOUNT_ID specified does not match to the ACCOUNT_ID provided in the MiFID Transaction INTC Report file

Exception Code	Exception Message	Example Triggering Event(s)
TUREC-015	Invalid CUSTOMER_ACCOUNT_REFRENCE	• The CUSTOMER_ACCOUNT_REFRENCE specified does not match to the CUSTOMER_ACCOUNT_REFRENCE provided in the MiFID Transaction INTC Report file
TUREC-016	Invalid TRADING_COMPANY_ID	• The TRADING_COMPANY_ID specified does not match to the TRADING_COMPANY_ID provided in the MiFID Transaction INTC Report file
TUREC-017	Invalid NEW_CLIENT_SHORT_CODE	• The NEW_CLIENT_SHORT_CODE specified does not exist in IIA
TUREC-018	Invalid New Quantity	• The allocation quantities of the aggregated transaction do not sum up to the total traded quantity provided in the MiFID Transaction INTC Report file
TUREC-019	Invalid New Quantity	• Invalid New Quantity provided for Pending Allocation update scenario. This field cannot be update under this scenario

6.3 Responses (Feedback to Submitting Member)

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

6.3.1 Delivery Method

- All feedback files are produced in CSV format.

6.3.2 File Names

Transaction File Syntax:

<MNEMONIC>_<LEI>_FDBTINTC_TRADES_YYYYMMDD_<Increment_No>.csv

Example: XYX_XYZ12345678901234567_ FDBTINTC_20230307_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 Trade Date and Mnemonic. If subsequent files are submitted for the same Trade Date and Mnemonic, they are incremented by 1.

7 Appendix 1 - Reference Items

7.1 Reference Documents

Title/Link	Description
IFEU: https://www.theice.com/futures-europe/circulars NDEX: https://www.theice.com/endex/circulars	ICE may publish circulars pertaining to MiFID, which are found at the following links
IFEU: https://www.theice.com/market data/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 Instrument List
https://community.theice.com/docs/DOC-21622	ICE Identifier Admin User Guide:
https://www.theice.com/holiday-hours	ICE Holidays and Non-Working Days:

7.2 Terms

Term	Description
AFM	The Dutch Authority for Financial Markets. The Dutch NCA. https://www.afm.nl/en
ARM	Approved Reporting Mechanism as defined by MiFID II. This is the same in nature as an EMIR Trade Repository, or a REMIT Registered Reporting Mechanism.
CET	Central European Time. This is the time zone cited in the majority of MiFID requirements. References to CET are in local time (clock on the wall time) unless otherwise noted.
DW	ICE Data Warehouse
ESMA	European Securities Markets Authority. https://www.esma.europa.eu/
FCA	Financial Conduct Authority. The UK NCA. https://www.fca.org.uk/
NCA	National Competent Authority. Refers to the various competent authorities with regulatory oversight for MiFID, and other EU regulations within the EU. See AFM and FCA.

MiFID Investment Firm[6]	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-MiFID Investment Firm	An Exchange Member that is not a MiFID Investment Firm

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