

XONTRO Newsletter

MiFID II

No. 4

(English Version)

Release 33

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1 Introduction

This document is intended to inform all investment firms (banks, intermediaries, and service providers) about the relevant XONTRO issues within the framework of the MiFID II implementation as per 3rd of January 2018.

The participation of all users enrolled in XONTRO as order issuers will become imperative. Participants who will exclusively use OTC and/or SNO (contract notes) functionalities will not be affected by the legitimization demands.

This document covers the following subject areas:

- User legitimization deposit
 - User identification using the 3270 dialog for banks and intermediaries
 - User identification of “responsible trader” for financial institutes
 - User identification (user shortcode) using the system interface for intermediaries (SAM)

- Data mapping
 - Order entry via system interface for financial institutes (FIX)
 - Order entry via system interface for intermediaries (SAM)
 - Shortcut order entry within the 3270 dialog orderbook

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2 Organisational demands

2.1 User legitimation deposit

All XONTRO users, for financial institutes as well as for intermediaries, who wish to enter orders in their own name using the XONTRO 3270 dialog functions, must legitimize themselves prior to the onset of MiFID II, using the new 3270 authorisation dialog BRMI.

Within the context of the previous XONTRO MiFID Newsletter 03, only the “XONTRO Dialog Users” had been mentioned so far. As the description will, however, become mandatory for all system interface for intermediaries (SAM) users, too, the scope of the addressees will have to be enlarged. This means that the legitimation process will have to be carried out by XONTRO users (as defined by their User ID) having access to XONTRO via their system interface for intermediaries (SAM), too. For this purpose, it will suffice for the user identification to legitimize themselves only once using the transaction BRMI LM – e.g. via a CONCAT identification. Only the users themselves are admitted to perform this legitimation process.

Within the time period **between 4th of December 2017 and 29th of December 2017**, the option to register one’s own legitimation data using the 3270 dialog transaction “BRMI LM” will be granted to everyone concerned. Cf. chapter 3.1 “User legitimation maintenance using BRMI LM”.

Beginning as of 3rd of January 2018, along with a missing user legitimation, no order entries “in one’s own name” will be allowed within the XONTRO dialog any longer. The legitimation registry may, however, be conducted at any time for any user being logged in, using the 3270 dialog function “BRMI LM”.

2.2 User legitimation deposit of „responsible trader“

This issue is of relevance for all financial institutes admitted for trading in XONTRO (both via 3270 dialog as well as via system connection) which will act as order issuers.

Even though the obligation for the transmission of the “responsible trader” has been in force for a couple of years already, and even though all participating members have already deposited their corresponding member data, BrainTrade has, within the context of MiFID II, updated the existing data pool in the recent past. The data were collected via questionnaires. In cases where deviations from the data already having been deposited were detected, the respectively newest information was used.

The user ID deposited for the “responsible trader” must be legitimized by the respective trading member; this can be done either by the “responsible trader” personally, or it can be initiated via e-mail at trade@xontro.de and then by BrainTrade on behalf of the respective responsible trader.

Within the time period between 4th of December 2017 and 29th of December 2017, all users enrolled in XONTRO will also be given the option to record their own legitimation data by using the 3270 dialog transaction “BRMI LM”.

Members who do not intend to participate in any on-exchange order routing activities using the XONTRO system are not required to denominate a responsible trader.

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2.3 User legitimization deposit for system interface for intermediaries (SAM)

Intermediaries may fill the MiFID II relevant fields with user IDs (cf. SAM Values API “User-Shortcode”). The user IDs used may be identical to the user IDs used for the 3270 dialog.

Beginning **as of 3rd of January 2018**, along with an order entry via SAM and with a missing “Execution-within-Firm”, the legitimization for the system user (user ID) from the SAM login will be checked. In case no legitimization can be found, the order entry will be rejected. The SAM login itself will continue to be working fine, even without a user legitimization deposit.

The inclusion of a shortcode via the system interface for intermediaries (SAM) is only allowed in cases where the order issuer is a financial institute enrolled in XONTRO. In these cases the financial institute having been appointed is also obliged to deliver the corresponding longcodes via their daily shortcode file deliveries.

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3 Authorisation dialog

3.1 User legitimisation maintenance „BRMI LM“

Any XONTRO user who wants to enter, modify or delete orders **from January 3rd 2018 on**, is committed to deposit his or her legitimisation within the newly created authorisation dialog “BRMI LM”. Within this context, each user is by one’s own responsible for the correct deposit of his or her data.

The user legitimisation entry has to be done according to the national requirements of MiFID II. Thus, for example, German citizens have to authorize themselves using the so called CONCAT, whereas, for example, Spanish citizens will have to use their tax identification number.

Legitimation via „CONCAT“:

```

TRAN: BRMI FC: LM SB:

MIFID II - LEGITIMATION ID-KZ
=====

Daten bitte aus länderspezifischem Ausweisdokument übernehmen:

Vorname                ==> Max
Nachname                ==> Mustermann
Geburtstag (TT.MM.JHJJ) ==> 03.03.1970
Nationalität           ==> DE - Deutschland
Legitimation über CONCAT
J=JA  N=NEIN           ==> J  (siehe www.xontro.de - MiFID)

CONCAT                 ==> DE19700303MAX##MUSTE
                       DE19700303MAX##MUSTE

-- ID-KZ: 1234192799 -- PW:          ----- B9999ABC -- 24/04/17 -- 12:00:00 --
F1 HILFE F3 VERARB F4 ABBR F11 ABMELD

```

Along with a legitimisation via CONCAT, the user has to enter his or her first name and surname, as well as the date of birth and the nationality, in the first place. The nationality keys have to be entered using the format ISO3166-1 (char-2); they may be retrieved from the internet. – Thereafter, the “legitimation via CONCAT” has to be confirmed with a “J” (yes).

Then the system creates a CONCAT proposal that should be verified by the user, and, if the proposal is displayed correctly, should be entered into the CONCAT entry field. In case the proposed CONCAT is not correct, then the correct – and ESMA compliant – CONCAT should be entered.

The processing of the entries may be concluded by hitting the PF3 function key. Thereafter, the data deposited may be modified at any time.

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Legitimation via country-specific piece of identification:

```

TRAN: BRMI FC: LM SB:

MIFID II - LEGITIMATION ID-KZ
=====

Daten bitte aus länderspezifischem Ausweisdokument übernehmen:

Vorname                ==> Mia
Nachname               ==> Musterfrau
Geburtstag (TT.MM.JHJJ) ==> 01.01.1980
Nationalität           ==> ES - Spanien
Legitimation über CONCAT
J=JA  N=NEIN           ==> N   (siehe www.xontro.de - MiFID)

Dokumentnummer         ==> ES123456789

Dokumentart            ==> 1           1 = NIDN (National Identifier)
                                   2 = CCPT (Passport Number)

-- ID-KZ: 1234192799 -- PW:          ----- B9999ABC -- 24/04/17 -- 12:00:00 --
F1 HILFE F3 VERARB F4 ABBR F11 ABMELD

```

Along with the legitimation by means of a country-specific piece of identification, likewise at first the user has to enter his or her first name and surname, as well as the date of birth and the nationality. The nationality keys have to be entered using the format ISO3166-1 (char-2); they may be retrieved from the internet. – Thereafter, the “legitimation via CONCAT” has to be confirmed with a “N” (no).

Next the document number of the identification document may be recorded. After this, the user has to indicate whether a passport number (“2”) or another national identifier (“1”), such as the Spanish tax identification number, had been entered.

The processing of the entries may be concluded by hitting the PF3 function key. Thereafter, the data deposited may likewise be modified at any time.

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3.2 Participant legitimation

Further information regarding the participant legitimation codes to be used may be taken from the respectively current ESMA documentation for the RTS 22 (2016-1064_rts_22:annex_ii.pdf):

Date: 1 July 2016
ESMA/2016/1064

Annex II¹

National client identifiers for natural persons to be used in transaction reports

ISO 3166 – 1 alpha 2	Country Name	1st priority identifier	2nd priority identifier	3rd priority identifier
AT	Austria	CONCAT		
BE	Belgium	Belgian National Number (Numéro de registre national – Rijksregisternummer)	CONCAT	
BG	Bulgaria	Bulgarian Personal Number	CONCAT	
CY	Cyprus	National Passport Number	CONCAT	
CZ	Czech Republic	National identification number (Rodné číslo)	Passport Number	CONCAT
DE	Germany	CONCAT Personal Identity Card Number (Personalausweisnummer)	National Passport Number	CONCAT
DK	Denmark	Personal identity code 10 digits alphanumerical: DDMMYYXXXX	CONCAT	
EE	Estonia	Estonian Personal Identification Code (Isikukood)		
ES	Spain	Tax identification number (Código de identificación fiscal)		
FI	Finland	Personal identity code	CONCAT	
FR	France	CONCAT		
GB	United Kingdom	UK National Insurance number	CONCAT	
GR	Greece	10 DSS digit investor share	CONCAT	
HR	Croatia	Personal Identification Number (OIB – Osobni identifikacijski broj)	CONCAT	
HU	Hungary	CONCAT		
IE	Ireland	CONCAT		
IS	Iceland	Personal Identity Code National Passport Number (Kennitala)		

¹ This annex was submitted to the European Commission on 1 July 2016 as an amendment to annex II of draft [RTS 22](#) under MiFIR submitted to the European Commission on 28 September 2015.

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ISO 3166 – 1 alpha 2	Country Name	1st priority identifier	2nd priority identifier	3rd priority identifier
IT	Italy	Fiscal code (Codice fiscale)		
LI	Liechtenstein	National Passport Number	National Identity Card Number	CONCAT
LT	Lithuania	Personal code (Asmens kodas)	National Passport Number	CONCAT
LU	Luxembourg	CONCAT		
LV	Latvia	Personal code (Personas kods)	CONCAT	
MT	Malta	National Identification Number	National Passport Number	
NL	Netherlands	National Passport Number	National identity card number	CONCAT
NO	Norway	11 digit personal id (Foedselsnummer)	CONCAT	
PL	Poland	National Identification Number (PESEL)	Tax Number (Numer identyfikacji podatkowej)	
PT	Portugal	Tax number (Número de Identificação Fiscal)	National Passport Number	CONCAT
RO	Romania	National Identification Number (Cod Numeric Personal)	National Passport Number	CONCAT
SE	Sweden	Personal identity number	CONCAT	
SI	Slovenia	Personal Identification Number (EMŠO: Enotna Matična Številka Občana)	CONCAT	
SK	Slovakia	Personal number (Rodné číslo)	National Passport Number	CONCAT
All other countries		National Passport Number	CONCAT	

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4 Data mapping

In order to be able to perform order entries in cases of missing or incomplete legitimation data **beginning as of 3rd of January 2018**, and as having been coordinated between the trading venues Berlin, Düsseldorf, Hamburg and Hannover, the following mapping procedures will be done.

For MAX-ONE, the trading system used by Börse München, no data mapping will be performed. Members participating in MAX-ONE via XONTRO SAKI-FIX will transfer their legitimation data for the shortcode procedure via the XONTRO infrastructure onto MAX-ONE. Details regarding the shortcode procedure may be taken from the MiFID II Newsletter 03.

- 1) Client-Identification-Code

In case the Client-Identification-Code was not transmitted explicitly, then this field will, upon requests of the Competent Authorities (CAs), always be reported with „PNAL“.

- 2.1) Execution-within-Firm (along with SAKI-FIX)

If only the field Client-Identification-Code was transmitted, then the field Execution-within-Firm will, upon requests of the Competent Authorities (CAs), be reported with “NORE”.

If only the fields Client-Identification-Code and Investment-Decision-within-Firm were transmitted, then the field Execution-within-Firm will, upon requests of the Competent Authorities (CAs), be reported with “NORE”.

If only the field Investment-Decision-within-Firm was transmitted, then the order will be rejected.

In case none of the fields Client-Identification-Code, Investment-Decision-within-Firm and Execution-within-Firm have been transmitted, then the order reference number, augmented by the error code XO8000E, will be logged within the shortcode response file. In this case the field Execution-within-Firm will, upon requests of the Competent Authorities (CAs), always be reported with the „responsible trader“ of the financial institute, under the assumption that a valid legitimation for the responsible trader has been entered into the system.

- 2.2) Execution-within-Firm (along with SAM)

If only the field Client-Identification-Code was transmitted, then the field Execution-within-Firm will, upon requests of the Competent Authorities (CAs), be reported with “NORE”.

If only the fields Client-Identification-Code and Investment-Decision-within-Firm were transmitted, then the field Execution-within-Firm will, upon requests of the Competent Authorities (CAs), be reported with “NORE”.

If only the field Investment-Decision-within-Firm was transmitted, then the order will be rejected.

In case none of the fields Client-Identification-Code, Investment-Decision-within-Firm and Execution-within-Firm have been transmitted, then the field Execution-within-Firm will, upon

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requests of the Competent Authorities (CAs), be reported with the user legitimation as taken from the relevant SAM login context, under the assumption that a valid legitimation for this user ID has been entered into the system.

- 2.3) Execution-within-Firm (shortcut entry within the 3270 dialog orderbook)

Along with the shortcut entry of orders by the pricing intermediary (Skontroführer) within the XONTRO 3270 dialog orderbook, using the transaction BROS OM, the field Execution-within-Firm will automatically be filled with the bank's „responsible trader“ ID deposited.

In case no „responsible trader“ could be found for the bank, or no valid legitimation could be found for the „responsible trader“ ID of the bank, then the order entry using this shortcut way will be rejected.

In case no responsible trader exists for the bank, or in case a deviating trader is to be specified, then the legitimized user ID of this trader may be entered using the additional order entries field “Z” in BROS/OM (cf. XONTRO MiFID Newsletter 03 update).

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5 Information regarding test cycles

All XONTRO Release 33 adaptations depicted in the MiFID II Newsletters, and in the MiFID II 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.

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6 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.

6.1 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)

6.2 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)

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7 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>

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

- Transmission of MiFID II relevant base data

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

- Transmission of „third party branch“ information

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

- Transmission of file transfer information for the shortcode procession