



XONTRO
Interface Adaptations
(English Version)
CSDR Newsletter 01

BrainTrade GmbH
Börsenplatz 4
60313 Frankfurt/Main
Germany

- 15.05.2020 -
Version 1.0

Table of Contents



XONTRO Interface Adaptations for CSDR

- Introduction
- Interface Adaptations - Banks – SAKI FIX
- Interface Adaptations - Banks – SAKI SWIFT
- Interface Adaptations - Brokers - QSAM
- System Adaptations - Banks – 3270 Dialog
- System Adaptations - Brokers – 3270 Dialog
- Interface Adaptations - Timeline

Introduction

- The target of this document is to highlight, in a compact form, the relevant interface and system adaptations needed for the realisation of the CSDR demands in XONTRO, to the financial institutes and intermediaries.
- The structure of the document is based on its main topics. This means that, after the relevant CSDR issue will have been presented (in grey), the corresponding interface implementation will be discussed for SAKI-FIX (in yellow), SAKI-SWIFT (in green), and for the system connection for brokers (QSAM, in purple). The document is concluded by a presentation of the 3270 dialog modifications for financial institutes (KI), as well as for financial intermediaries (FSP), followed by a preliminary time schedule.
- The interface format definitions have been discussed in detail between the XONTRO exchange carriers, Bayerische Börse AG, Boerse Stuttgart GmbH, and Tradegate AG. Independently thereof, it is possible for the implementation of specific details to be treated in a differential manner, due to reasons of the corresponding market models, or due to the underlying technical infrastructure.
- Details regarding the implementation are to be taken from the current system documentation which may be retrieved under www.xontro.de.

Legal Framework

- Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 (ABl. No. L 257, page 1, 2016; No. L 349, page 5; Celex-No. 3 2014 R 0909)
- Art. 3 of the Regulation (EU) 2016/1033 of the European Parliament and of the Council of 23 June 2016, amending Regulation (EU) No 600/2014 on markets in financial instruments, Regulation (EU) No 596/2014 on market abuse and Regulation (EU) No 909/2014 on improving securities settlement in the European Union and on central securities depositories (ABl. No. L 175, page 1)
- Other directives resp. regulations in connection with Regulation (EU) No. 909/2014, such as, e.g., ESMA RTS (2018/1229 - Settlement Discipline)
- ESMA's Q&As concerning CSDR, last time modified on 11 July 2019

Subject Matter and Scope

Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories („CSDR“):

Article 1 – Subject matter and scope

- 1. This Regulation lays down uniform requirements for the settlement of financial instruments in the Union and rules on the organisation and conduct of central securities depositories (CSDs) to promote safe, efficient and smooth settlement.
- 2. This Regulation applies to the settlement of all financial instruments and activities of CSDs unless otherwise specified in this Regulation.

CSDR Implementation in XONTRO

- The implementation of the CSDR demands within XONTRO mainly consists of the inclusion of the field „Segment MIC“ across all participants‘ groups, as well as across all trade interfaces, including the submission of this field onto Clearstream Banking (CBF) via the LION interface.
- Even though the modification covers the inclusion of „only“ one additional data field, nevertheless the entire XONTRO Trade functionalities will be affected by this measure.
- The introduction of the „CSDR RTS on Settlement Discipline“ has been postponed by ESMA (cf. ESMA 70-151-2895 dated 04.02.2020) to become effective from 01.02.2021.
- **With respect to the XONTRO implementation, the following due dates are to be assumed as of now:**
 - **Resources allocation within the simulation system (IMS27) 14.12.2020 (t.b.a.)**
 - **Resources allocation within the production system (IMS1) 01.02.2021**
 - **Application of rules by CBF 01.02.2021**

Abbreviations Used in This Document

- BT = BrainTrade
- CBF = Clearstream Banking (Frankfurt) AG
- CSDR = Central Securities Depositories Regulation
- FSP = Financial Services Provider (non-pricing intermediary or Pricing Intermediary)
- KI = Financial Institute / Bank
- MIC = Market Identifier Code (ISO 10383)
(particularly using the value “market segment MIC”)

XONTRO
Interface Adaptations
Regulatory Framework

Explanations Regarding the MIC (ISO 10383)

- **What is the purpose of the MIC?**
The purpose of the MIC is to identify entities such as exchanges, trading platforms, regulated or non-regulated markets and trade reporting facilities as sources of prices and related information.
- **What is a “market segment MIC”?**
A market segment MIC is a MIC which identifies a section of one of the above entities that specialises in one or more specific instruments or that is regulated differently. Each market segment MIC has a parent MIC which is called the “operating MIC”.
- **What is an “operating MIC”?**
An operating MIC identifies the entity operating an exchange, trading platform, regulated or non-regulated market or a trade reporting facility in a specific country; it is the ‘parent’ MIC

KI – General Framework

Trade Entries

- Independently from the entry path having been chosen (FIX, SWIFT, or 3270 dialog), along with the OTC trade entry done by a financial institute, a segment MIC of a „Non XONTRO Exchange Platform“ may be entered; the entries will be checked for plausibility. The segment MIC having been entered and checked for formal correctness will be forwarded onto CBF via the LION file with no modifications.

CBF accepts and processes these trades, bearing a valid segment MIC, as „on-exchange trades“ as viewed by the CSDR.

FSP – General Framework

Trade Entries

- Along with a trade entry done by a financial services provider (non-pricing intermediary or pricing intermediary), independently from the entry path chosen (QSAM or 3270 dialog), a segment MIC of a „NON XONTRO Exchange Location“ may only be entered along with a „complete trade“, i.e. buy side and sell side being present, no „pending contract“ („Aufgabe“) participation allowed, a valid trading member (bank) being present on both sides. The entries will be subject to plausibility checks. In all other cases, the entry of a segment MIC will be rejected by the system.

The segment MIC having been entered and formally checked will be submitted onto CBF via the LION file unchanged. CBF interprets and processes these trades bearing a valid segment MIC as „on-exchange“ as defined by CSDR.

FSP – General Framework

Pending contracts („Aufgaben“) by pricing Intermediaries and non-pricing intermediaries:

- Within XONTRO, it is not allowed to enter Aufgaben (pending contracts) or „half trades“ for a „NON XONTRO venue“. MAX-ONE Aufgaben are, however, treated as XONTRO Aufgaben within the further XONTRO Trade processing.
- Trades arising from the closure of Aufgabe positions (Aufgabe-Schliessung) in ISINs where the entering broker is also pricing intermediary will be augmented by the segment MIC of the corresponding XONTRO venue.
- Trades arising from the closure of Aufgabe positions in ISINs where the entering broker is also a non-pricing intermediary will be forwarded onto CBF without a segment MIC.

FSP – General Framework

On-Exchange Trades Arising from Price Fixings Done by the Pricing Intermediary:

- On-exchange trades resulting out of a price fixing procedure will automatically be augmented by the corresponding segment MIC within the XONTRO system.

XONTRO
Interface Adaptations
CSDR
SAKI-FIX - SAKI-SWIFT - QSAM

Relevant Areas of the CSDR Implementation

- 1 – Trade Entry Interfaces
- 2 – Trade Entry Interfaces for MAX-ONE
- 3 – Trade Output Interfaces

1 – Trade Entry Interfaces

- 1 - KI - Extension SAKI FIX (4.2) TradeCaptureReport (UAE)
- 2 - KI - Extension SAKI FIX (4.4) TradeCaptureReport (AE)
- 3 - KI - Extension SAKI SWIFT Direct OTC Trade Entry (MT511)
- 4 - KI – Extension 3270 Dialog BxEG EW Function
- 5 - FSP - Extension QSAM BC_ENTER_SINGLE_TRADE_RID
- 6 - FSP – Extension 3270 Dialog BxEM GE and PE Function

2 – Trade Entry Interface for MAX-ONE

- 1 - FSP - Extension QSAM `BC_ENTER_EXCHANGE_TRADE_RID`

3 – Trade Output Interfaces

- 1 - KI - Extension SAKI FIX (4.2) TradeCaptureReportSno (USN)
- 2 - KI - Extension SAKI FIX (4.4) TradeCaptureReportSno (USN)
- 3 - KI - Extension SAKI SWIFT Contract Note (MT512)
- 4 - KI – Extension 3270 Dialog BxAG AL Function
Printed Contract Notes
- 5 - FSP - Extension QSAM BC_INQUIRE_BROKER_DIARY_STREAM_TYPE
- 6 - FSP – Extension 3270 Dialog BxEM MT Function
Printed Broker's Documentation

Relevant Areas - KI - SAKI FIX (4.2)

- 1 – Trade Entry Interface

TradeCaptureReport (UAE)

Structural Extension

- TradeInputSource (Tag = 578, Type: String)
Type of input device or system from which the trade was entered.
- No Response Extension *TradeCaptureReportAck (UAR)*

- 2 – Trade Output Interface

TradeCaptureReportSno (USN)

Structural Extension

- TradeInputSource (Tag = 578, Type: String)
Type of input device or system from which the trade was entered.

Relevant Areas - KI - SAKI FIX (4.4)

- 1 – Trade Entry Interface

TradeCaptureReport (AE)

Structural Extension

- TradeInputSource (Tag = 578, Type: String)
Type of input device or system from which the trade was entered.
- No response extension *TradeCaptureReportAck (AR)*

- 2 – Trade Output Interface

TradeCaptureReportSno (USN)

Structural Extension

- TradeInputSource (Tag = 578, Type: String)
Type of input device or system from which the trade was entered.

Relevant Areas - KI - SAKI SWIFT

- 1 – Trade Entry Interface

Bank Direct OTC Trade

MT511

Structural Extension Tag 31P:

- Segment MIC of trading venue /[4x]
- Reporting trading venue /[3x] *(Extension, but not relevant for CSDR)*

Description of MT511, Tag 31P (forecast):

MT 511 Direct-banking-Trade			
O / M	label	Data description	Format
M	31P	Exchange location	3x/[6n]/[6n]/[6n]
		Trade date (YYMMDD)	[/2a6n][2a][1x3n]
		Trade time (HHMMSS)	[3n]/[4x]/[3x]
		(Deviant) Trade date (YYMMDD)	
		Fixed value flag	
		FZ value versus payment (DVP)	
		Date of fixed value (settlement date)	
		Flag emission	
		EM emission-trade	
		Interest days with algebraic sign	
		Discount days	
		Trading venue segment MIC	
		Trading venue of reporting	

Relevant Areas - KI - SAKI SWIFT

- 2 – Trade Output Interface

Contract Note *MT512*

Structural Extension Tag 30:

- Segment MIC of trading venue /[4x]

Zukünftige MT512 Beschreibung

von Etikett 30:

M	30: Weitere Abschlussangaben	6n/[6n]/[3x]/[2a]/[1a] /[4x]/[3x]/[4x]
	- Datum-Festvaluta (JJMMTT) oder <u>Dummywert</u> '000000', falls keine Eingabe erfolgt ist	6n
	- Eingabe-Uhrzeit (HHMMSS)	/[6n]
	- Börsenplatz des Meldewesens	/[3x]
	- Kennzeichen für Abweichendes Abschlussdatum 'AA'	/[2a]
	- Kennzeichen "Abwicklungsgeschäft"	/[1a]
	- MIC Venue	/[4x]
	- OTC Post-Trade Indikator	/[3x]
	- Segment-MIC der Handelsplattform	/[4x]

Relevant Areas – FSP – System Connection for Brokers (QSAM)

- 1 – Trade Entry Interface

BC_ENTER_SINGLE_TRADE_RID

Structural Extension - bc_request_enter_single_tradeT

- venueSegMic char[4]

- 2 – Trade Output Interface (only for MAX-ONE specialist)

BC_ENTER_EXCHANGE_TRADE_RID

Structural Extension - bc_request_enter_exchange_tradeT

- venueSegMic char[4]

Relevant Areas – FSP – System Connection for Brokers (QSAM)

- 3 – Trade Output Interface (Inventory data transfer)

BC_INQUIRE_BROKER_DIARY_STREAM_TYPE

Structural Extension - bc_diaryT

- venueSegMic char[4]

- 4 – Trade Output Interface (Broadcast)

BCBE_BROKER_DIARY

Structural Extension - bc_diaryT

- venueSegMic char[4]

Relevant Areas – FSP – System Connection for Brokers (QSAM)

- *venueMic* char[4] – Stock data field

Field Description Modification in the QSAM-API

MIC (Market Identifier Code) of Trading Venue resp. the trading segment of a trading venue in the sense of MiFID II Regulation.

- *venueSegMic* char[4] – new field

New entry of the field in the QSAM-API

MIC (Market Identifier Code) of Trading Segment of a Trading Venue in the sense of the CSDR Regulation.

XONTRO
System Adaptations
- 3270 Dialog Functionalities -

KI – Trade Entries

BxEG EW

- The Segment MIC entry should be done in the Zusatzangaben (additional entries) of the 3270 dialog header line using the character string „MI“, followed by a four-character Segment MIC.

The person doing the entry will be held responsible for the correctness of the entry. Therefore, the segment MIC having been entered will only be checked formally for the length of four digits.

KI – Contract Note Display

BxAG AL

- Extension by display field „Segment MIC“

```
TRAN: BRAG FC: AL SB: J#G#####  
  
XONTRO / ANZEIGE NACHWEISE (LANGFORM)                4002/99 RUCKZUCK BAN  
VERKAUF - DIREKTGESCHAEFT                ABRUF-NR.: G      1      US-ID: 192799  
GNR      : D 191119 0000001  
  
DE0007100000 DAIMLER AG NA O.N.  
NOM.: ST      100  
KURS      : 50,0000      K-WERT: 5.000,00  
  
KONT.: 4015 HSBC TRINKAUS + BURKHARDT AG  
EING.: 4002 RUCKZUCK BANK AG  
MIC: xxxx  
  
ABR.-BETRAG: 5.000,00      EUR  
  
EINGABE: 19.11.19 14.48.03      COURT.: 0,00  
ABSCHLUSS: 19.11.19 12.00.00 AB
```

KI – Cancellation of Trades

With regards to the cancellation of trades, the following statements will become valid:

- If, in the course of a trade cancellation, the segment MIC will have to be modified, then the trade will have to be cancelled first using the 3270 dialog function BxEG ES, and then to be entered anew using the modified segment MIC, using the function BxEG EW.

KI – Trade Display – Printed Contract Notes

Contact Notes Printed Version

- Extension by Output Field „Segment MIC“

[Listenbild vor TLN-Versand hinzufügen]

FSP – Trade Entry

BxEM GE and PE

- The Segment MIC entry should be done in the Zusatzangaben (additional entries) of the 3270 dialog header line using the character string „MI“, followed by a four-character Segment MIC.

The person doing the entry will be held responsible for the correctness of the entry. Therefore, the segment MIC having been entered will only be checked formally for the length of four digits.

FSP – Trade Display – Broker’s Diary Online Version

BxEM MT

- Extension by the output field „Segment MIC“

```
TRAN: BREM FC: MT SB: J#####D  
  
XONTRO TRADE / INFO-MAKLER-TAGESGESCHAEFTSLISTE          4123/00 DUESSELMAKLER  
  
DE0007664005 VOW VOLKSWAGEN AG ST O.N.  
  
GESCHAEFTSNUMMER      NOMINALE      AN          KURS      VON          KURS  
D 2607 1000003          300      4003      500,000    4001          500,000  
AUK1444 AUV1234 AB MIxxxx  
D 2607 1000004          200      4004      500,000    4001          500,000  
AUK1000 AUV1234 AB  
D 2607 1000005          100      4005      500,000    4002          500,000  
AU1234 AB MIxxxx  
  
KURS-DIFF.:           0,00  COURTAGE:           360,00  NOMINALE:
```

FSP – Trade Display – Broker's Diary Printed Version

Broker's Diary Printed Version

- Extension by the output field „Segment MIC“

[Listenbild vor TLN-Versand hinzufügen]

FSP – General Framework – Cancellation of Trades

With regards to the cancellation of trades, the following statements will become valid:

- If, in the course of a trade cancellation, the segment MIC will have to be modified, then the trade will have to be cancelled first using the 3270 dialog function BxEM ST, and then to be entered anew using the modified segment MIC, using the function BxEM GE or BxEM PE.



**Timeline and
Contact Staff**

MiFID II

XONTRO – Interface Adaptations – Timeline














Timeline – SAKI SWIFT, SAKI FIX, SNO-DT, Dialog (preliminary draft)

Customer Information (CSDR NL)		15.05.2020
XONTRO-SAKI-Fix RoE – Planning Version		26.06.2020
XONTRO-SAKI-SWIFT-SNO – Planning Version		26.06.2020
XONTRO-SAKI-Fix RoE – Programming Version		31.07.2020
XONTRO-SAKI-SWIFT-SNO – Programming Version		31.07.2020

Note: No new SWIFT converter version delivery towards the SAKI customers is planned by MSG company

Start Simulation	XONTRO Release xx		14.12.2020
Start Production	XONTRO Release xx		01.02.2021
CSDR penalty measures to come into effect by CBF			01.02.2021

Timeline – QSAM - Release 02 (preliminary draft)

XONTRO Modification Announcement (CSDR NL - 01)		15.05.2020
XONTRO Values API - Planning Version		26.06.2020
XONTRO Member Simulation Guide		31.07.2020
Security Administration Guide		31.07.2020
XONTRO Values API - Programming Version		31.07.2020
XONTRO Technical Description		31.07.2020
XONTRO Header Files		27.11.2020
XONTRO Values API - Final Version		27.11.2020
Start Simulation	XONTRO QSAM - Release 02	 14.12.2020
Start Production	XONTRO QSAM - Release 02	 01.02.2021
CSDR penalty measures to come into effect by CBF		 01.02.2021

CSDR - Team

- Dr. Sebastian Störmer
+49 (0)69 – 589978 – 140
sebastian.stoermer@xontro.de
- Markus Sperzel
+49 (0)69 – 589978 – 100
markus.sperzel@xontro.de
- Armin Latell (QSAM)
+49 (0)69 – 589978 – 170
sam@xontro.de