Handbook Transaction Reporting V2.0.5

The transaction reporting obligation under the Act on Financial Supervision

The Netherlands Authority for the Financial Markets

The AFM promotes fairness and transparency within financial markets. We are the independent supervisory authority for the savings, lending, investment and insurance markets. The AFM promotes the conscientious provision of financial services to consumers and supervises the honest and efficient operation of the capital markets. Our aim is to improve consumers' and the business sector's confidence in the financial markets, both in the Netherlands and abroad. In performing this task the AFM contributes to the prosperity and economic reputation of the Netherlands.

Version Status

Version	Date	Reason for Changes
0.1	27/08/2010	First concept Handbook Transaction Reporting
1.0	01/10/2010	Final version after the changes initiated through comments from investment firms
2.0	14/03/2011	NEW! • §4.4 Reported transaction versus reality with an example and advice how to structure the process to improve accurate reporting; • appendix I: an example of a Data Field Matrix; ADAPTED! • § 4.3.2 definition 'non-securities' derivatives clarified; • §4.5 the order of the content of TRS-fields according to §4.4; • § 4.5.5/ 4.5.6/ 4.5.7/ 4.5.8/ 4.5.11 field specifications and front errors; removal of quality review 'Wrong InstrumentCodeType for mentioned VenueIdentificationCode'. This review is automated; • § 4.5.1/4.5.2/ 4.5.5/ 4.5.6 guidance; • appendix E: a complete list of front errors and warnings instead of most common; • appendix F List of quality review topics; • appendix G Transaction reporting fields (instead of data reconciliation fields) in the order from § 4.4; • appendix H Audit format TRS. Describes what firms can expect; • all CESR-links changed to ESMA.
2.0.1	01-10-2015	Change of contact details TRS
2.0.2	06-06-2016	Change of contact details TRS and Ordina
2.0.3	29-08-2016	Change of TRS application procedure (§2.1 and appendix A)
2.0.4	28-02-2017	ADAPTED • §1.9 Future developments
2.0.5	15-05-2017	ADAPTED • §4.5.8.2.1. Alternative Istrument Identifier (AII) (guidance, AII-market list) Change of ESMA link (page 9, 48) Change of Footnote 10 page 30, Euronext Trade/ Fund Service (**EFS**) because previous abbreviation caused misinterpretation

Contact details TRS

Investment firms can contact the AFM for all questions related to the content:
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Investment firms can contact ORDINA for all questions related to technical issues:
Ordina Service Desk; +31 (0)800 866 6666; csd@ordina.nl

Content

Content of handbook

This handbook is written for all investment firms[1] (banks, brokers, asset managers, market makers, and investment firms operating as systematic internalisers) that have a license with the *Authority for the Financial Markets* (AFM) for providing an investment service or performing an investment activity that either want to know whether or not they fall under section 4:90e(3) of the Act on Financial Supervision (AFS) or use the information in this handbook to report transactions in a complete, accurate and timely manner. Section 4:90e(3) AFS covers the transaction reporting requirement in the Netherlands for financial instruments that are admitted to trading on regulated markets[2]. This handbook is only applicable for the AFM, other regulators do have different technical specifications, systems, rules and enforcement. This handbook is only available in English.

This handbook covers all relevant documents and information for investment firms and will be updated frequently. The most recent version will be available on www.afm.nl/handbookTRS.
This handbook can be divided in three parts:

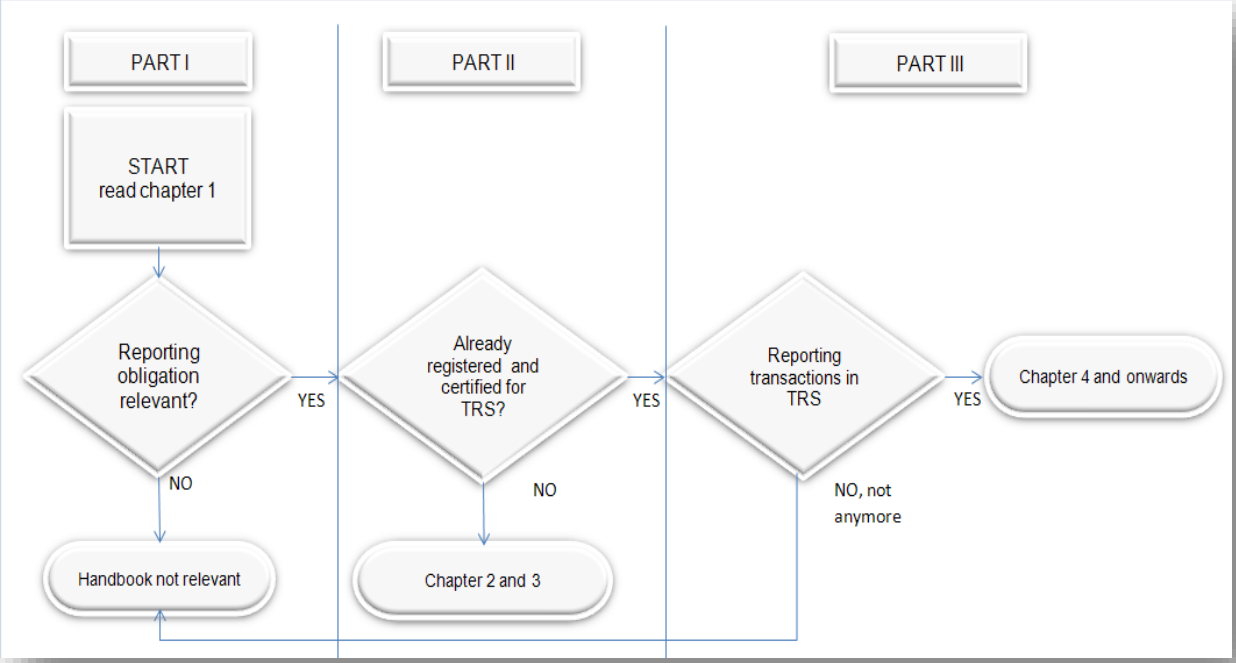

Figure 1: Overview of how to read this handbook

Part I (chapter 1): has to be used to check whether the reporting obligation is relevant for your investment firm. The first chapter outlines the scope and describes which investment firms are required to report, which financial instruments should be reported, how investment firms are able to report their transactions and to which competent authority firms should report their transactions.

Part II (chapter 2 and 3): describes the registration and certification procedure to connect to the Transaction Reporting System (TRS) and is followed by the user manual.

Part III (chapter 4 and onwards): outlines the quality aspects and its importance to the AFM as well as the content of a transaction report which should result in procedures the AFM expects investment firms to have in place in order to report all the transactions completely, accurately and in time.

[1] *Throughout this handbook the term 'investment firm' refers to all types of entity that conduct investment business and might have a reporting obligation.*
[2] *Regulated markets can be found on http://mifiddatabase.esma.europa.eu/*

1 Transaction reporting obligation

One of the objectives of the European Markets in Financial instruments Directive (MiFID) is, amongst other things, the purpose to enhance competition between trading platforms. More trading platforms that give the possibility to execute transactions in the same financial instruments leads to decentralized information about transactions executed. In order to capture all relevant transaction data investment firms in Europe must report their transactions to a relevant regulator within European Economic Area (EEA). Regulators have the responsibility to share relevant information with other regulators. The aim of the AFM is to promote fairness and transparency within the financial markets. One of the ways in which the AFM strives to achieve this aim is by identifying and investigating potential occurrences of market abuse. Our ability depends on receiving complete, accurate and timely transaction reports from investment firms. These aspects are essential for the AFM to meet its statutory objectives of maintaining market confidence and reducing financial crime.

The following rules and regulations are relevant for the transaction reporting requirement:

- ✓ DIRECTIVE 2004/39/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC ('Richtlijn')
- ✓ COMMISSION REGULATION (EC) No 1287/2006 of 10 August 2006 implementing Directive 2004/39/EC of the European Parliament and of the Council as regards recordkeeping obligations for investment firms, transaction reporting, market transparency, admission of financial instruments to trading, and defined terms for the purposes of that Directive. ('Verordening')
- ✓ Act of 28 September 2006, on rules regarding the financial markets and their supervision (Act on Financial Supervision) ('Nationale wetgeving')

The legal requirement of section 4:90e(3) AFS:

> An investment firm that has executed transactions in financial instruments admitted to trading on a regulated market shall disclose the details of these transactions to the Authority for the Financial Markets as soon as possible and by the end of the following working day at the latest.

1.1 Which investment firm should report to the AFM

All investment firms that are providing investment services or performing investment activities as defined in section 1:1 AFS **and** execute transactions in relevant financial instruments on a place of execution[3], must report these transactions. The AFM has registered the firm with a license for these services and activities and all transactions executed under this specific license must be reported to the AFM.

The market-facing investment firm, which executes transactions either for its own account or on behalf of clients, must report its transactions (investment firm (b) in figure 2). The market (place of execution, venue) can be either a regulated market (RM), a Multilateral Trading Facility (MTF), a Systematic Internaliser (SI), the Over-the-counter (OTC)-market or any other market/ venue in the world. The transaction between the investment firm (b) and the market is represented with the red arrow.
Investment firm (a) can also be a market-facing firm: when (a) executes a transaction directly with another investment firm, for example broker (b). Both the investment firm (a) and broker (b) have to report their side of the transaction, for transactions that are performed between them as an OTC (see figure 2).

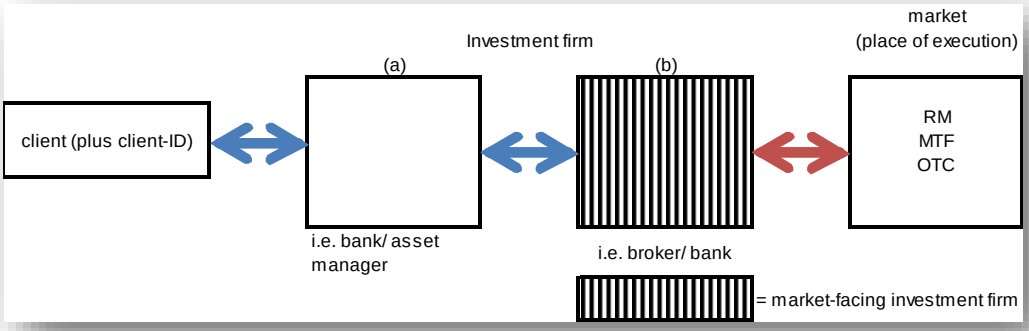

Figure 2 Drawing describes order route/ transaction flow between different investment firms and the executed transaction on a place of execution by the market-facing firm.

When investment firm (a), regarding the transaction reporting obligation, has the activity of Receiving and Transmitting Orders (RTO) **only**, this investment firm does NOT have to report transactions, since this firm does not execute transactions (see paragraph 1.4). RTO is also often called 'introducing' broker.

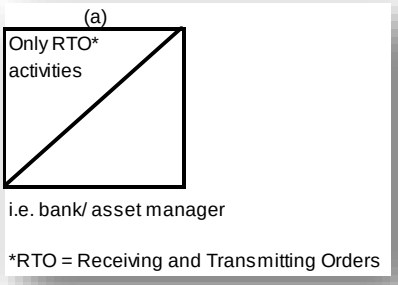

Figure 3 Investment firm (a) can either be active as Receiving and Transmitting Orders or as a market facing firm.

Investment firms that also undertake clearing activities for third parties should be aware that there is no transaction obligation from clearing activities only. Clearing firms might decide to offer their clients a service to report transactions that their clients have executed for them. However these clearing firms must report all transactions from their clients as in a manner that shows that the client is the ´market facing firm´.

[3] *Place of execution can be a regulated market (RM), a Multilateral Trading Facility (MTF) a Systematic Internaliser (SI), Over-the-counter (OTC) or any other market, venue in the world.*

1.2 How to deal with branches

A branch is defined in the AFS as follows: an office without separate legal personality of an investment firm that performs investment services, investment activities or ancillary services that permanently exists in a State other than the State where the investment firm has its registered office.

The European Security and Market Authority (ESMA), former Committee of European Securities Regulators (ESMA), acknowledges that all transactions executed by branches where the service is provided within the territory of the Member State where the branch is located, must be reported to the Host[4] Member State competent authority, whereas other transactions executed by branches shall be reported to the Home[5] Member State competent authority (in accordance with ESMA Level 3 guideline 'Reporting by branches').

The AFM recognizes that, from a practical point of view, it would be burdensome for branches of investment firms to be obliged to report their transactions to two different competent authorities. Therefore, all transactions executed by the firm's branches in EEA countries outside the Netherlands could be reported to the host Member State competent authority only, if the investment firm elects to do so. In these cases transaction reports should follow the rules of the competent authority to which the report is made. Should an investment firm choose to report to both home and host regulators this choice should not be challenged by the host competent authority.

The AFM advises branches (located outside the EEA) that use the same membercode for the place of execution as the legal personality from the investment firm in the Home Member State to report these transactions to the Home Member State in order to be complete.

1.3 Investment firms under the Exemption Regulation

Investment firms from designated countries[6] that are registered at the AFM at their own request, are exempted from the license obligation pursuant to section 2:96 AFS in accordance with **section 10(1) of the Exemption Regulation of the Financial Supervision** for the investment service and or activities as referred to in section 1:1 AFS. The AFM would like to point out that, although the investment firm can be exempted from the license obligation, pursuant to section 35 of the Exemption Regulation the investment firm still has to comply with the transaction reporting obligation (see paragraph 1.1).

1.4 Which firms do NOT have to report transactions

Depending on the activities that the investment firm undertakes it is possible that for those activities the investment firm to **NOT** create an obligation to report transactions:

- ✓ Investment firms that only receive and transmit orders (RTO) in financial instruments do not fall under the current transaction reporting obligation. This may change if the Ministry of Finance in the Netherlands decides to implement the client-ID. The AFM will communicate about these developments at an early stage.
- ✓ Collective investment schemes which offer units to:
  a. fewer than one hundred persons that are not qualified investors; or
  b. only qualified investors (section 1:12 AFS).

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[4] *The Host Member State means the territory of where the branch is located.*
[5] *The Home Member State means the territory of where the registered office is located.*
[6] *Designated countries are Switzerland, United States of America and Australia*

- ✓ The provision of financial services by pension funds, insofar as they provide these financial services to the sector, enterprise or professional group with which they are associated; and portfolio management on behalf of pension funds as referred to under (a) or allied funds by persons that are associated with the fund to which this financial service is provided. (section 1:15 AFS) **and** when this specific investment firm belongs to the group, as meant in section 2:24b of Book 2 of the Dutch Civil Code.

It should be noted that if a firm is active as both an investment firm and also as a collective investment scheme or undertakes services by pension funds related to its group, only the transactions that are executed from the activities as an investment firm need to be reported.

The AFM recognizes, from a practical point of view, it would be burdensome for investment firms with different activities to filter out the reportable transactions from the reporting tool. The AFM therefore allows the investment firms to report all transactions to TRS. This reduces the chance of incomplete reporting. Please inform the AFM when this situation is applicable for your investment firm and the nature of the transactions that you report.

1.5 Financial instruments which should be reported

Transactions in financial instruments that are admitted to trading on regulated markets in the EEA should be reported. Investment firms must be aware that the place of execution is not relevant for the reporting obligation.

Example:

ISIN USXXXXXX is admitted to trading at the Regulated Market in France. When your firm trades this instrument for example on the New York Stock Exchange (the primary exchange of the ISIN) it should be included in your transaction report. This financial instrument is admitted to trading and thus it should be reported no matter where this instrument is traded. This can also be the case with several ADR's.

An investment firm that is a member of the ICE Futures exchange will execute transactions in financial instruments, but because they are commodity derivatives they will NOT be relevant and reportable, according to ESMA guidelines (see paragraph 4.3.2)

At the current time no complete list of all financial instruments that are admitted to trading on EEA regulated markets is published. It may be possible for your data provider to provide you with such list. ESMA publishes a list with securities (shares only) that are admitted to trading via the following link: https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_mifid_rma

Table 1 sets out the current transaction obligation for each category financial instrument as defined in section 1:1 AFS.

* Please note that this table is applicable for the AFM only. Other regulators can have different rules for above financial instruments.

Financial instruments as defined in section 1:1 AFS	Transaction reporting	When
a) securities[7]	YES	Admitted to trading on a RM
b) money market instruments	YES	Admitted to trading on a RM
c) units in a collective investment scheme, not being securities	NO	
d) options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, or other derivative instruments, indices or financial measures which may be settled physically or in cash	YES, only those derivatives admitted to trading on a RM related to securities (index option, turbo's, warrants)	Excluded are derivatives relating to currencies, interest rates or yields (agreed by ESMA members (see § 4.3.2)
e) options, futures, swaps, forward rate agreements and any other derivative contracts relating to commodities that must be settled in cash or may be settled in cash at the option of one of the parties, otherwise than by reason of a default or other termination event	NO	Agreed by ESMA members (see § 4.3.2)
f) options, futures, swaps and any other derivative contracts relating to commodities that can only be physically settled provided they are traded on a regulated market or a multilateral trading facility	NO	Agreed by ESMA members (see § 4.3.2)
g) options, futures, swaps or forward rate agreements other than those referred to under (f) and any other derivative contracts relating to commodities which can be physically settled and are not intended for commercial purposes, and which have the characteristics of other derivative financial instruments	NO	Agreed by ESMA members (see § 4.3.2)
h) derivative instruments for the transfer of credit risk	YES	Admitted to trading on a RM
i) financial contracts to settle differences	NO*	
j) options, futures, swaps, forward rate agreements and any other derivative contracts relating to climate variables, freight rates, emission allowances, inflation rates or other official economic statistics that must be settled in cash or may be settled in cash at the option of one of the parties, otherwise than by reason of default or other termination event, as well as any other derivative contracts relating to assets, rights, obligations, indices or measures other than those referred to above which have the characteristics of other derivative financial instruments	NO	Agreed by ESMA members (see § 4.3.2)

Table 1 Financial instruments reportable or not in the Netherlands

1.6 What kinds of transactions may be reported

The kinds of transactions that may be reported due to the fact, no operational distinction can be made in your reporting mechanism are the following:

[7] *See §4.3.2 for more details (repo's, assignments, primary market transactions, open-end investment funds).*

- transactions executed for an exempted activity (for example investment funds or group related pension asset management);
- financial instruments that are not admitted to trading on an EEA regulated market; and/or
- transactions in which the investment firm is not the market-facing party (for example the client side or broker side of the transaction).

1.6.1 Identify the ultimate client

The AFM supports the use of an ultimate client-ID. Investment firms are welcome to report transactions with a client-ID. Currently there is no legal obligation to do so. Presently the ESMA-members are reviewing the transaction reporting obligation under MiFID. This review may lead to changes in respect of the current legal obligation in the Netherlands as pertains to the client-ID.

1.7 How are firms able to report

Investment firms may report such transactions:

- directly;
- through a third party acting on behalf of the investment firm;
- using a system for matching or disclosing orders that has been approved by the AFM;
- through the regulated market or the multilateral trading facility whose systems were used for conducting the transaction (section 4:90e(5) AFS).

The AFM has to approve all parties who want to report directly to TRS.

The AFM will expect a firm which seeks to rely upon other parties to report transactions on their behalf to take reasonable steps to verify that transaction reports will be made in accordance with the standards laid down in this handbook and in particular should ascertain and remain satisfied that:

- ✓ a party maintains an automated reporting system which the firm is able to access for the efficient inputting of transactions into the system;
- ✓ the terms of the agreement between the investment firm and a party, make appropriate provision obliging the party to make transaction reports on the firm's behalf;
- ✓ the arrangements provide for confirmation in each case that a transaction report has been made on the firm's behalf.

!Note! Each investment firm remains responsible for complete, accurate and timely reporting even when the reporting of transactions is outsourced through a third party, a system or the regulated market or MTF.

Currently the following parties are approved to report transactions into TRS on behalf of investment firms:

- Euronext Cash Market;
- Xtrakter;
- London Stock Exchange.

1.8 Responsibility of regulators to share data

The AFM is obliged to send all relevant transactions to other European regulators as soon as possible (Regulation section 14) but at the latest within two business days.

1.9 Future developments

The revision of MiFID and the introduction of the Markets in Financial Instruments Regulation (MiFIR) are referred to jointly as MiFID II. MiFIR is a European regulation. This means that this regulation has direct binding legal force and does not need to be implemented into the Dutch law, for instance in the Dutch Financial Supervision Act (Wft).

The aim of MiFID II is to repair the shortcomings of MiFID and to improve the functioning of financial markets and the protection of investors. MiFID was revised to adapt to the major changes on the capital markets in this last decade. The evaluation of MiFID showed that there were a number of shortcomings, for example, in the field of transparency, supervision of OTC trade (over-the-counter) and technological developments, such as High Frequency Trading (HFT). There were also insufficient rules for markets that were still barely regulated, such as the trade in derivatives and structured products.

ESMA has published guidelines on transaction reporting, order recordkeeping and clock synchronization on 10 October 2016. These enable the parties to comply in time with the reporting obligations MiFID II and contain examples of transaction reports and will replace this handbook as from 3 January 2018.

2 Registration and certification procedure

Investment firms are obliged to notify the AFM of transactions that they have executed. In order to make this possible in a(n) (semi) automated way, the AFM has built a Transaction Reporting System (TRS). This system is hosted and serviced by Ordina N.V. This chapter describes the steps to be taken, both by the applicant investment firm as well as by Ordina and by the AFM, in order for an investment firm to obtain access to TRS.

2.1 Steps to be taken for registration

The steps that should be taken in order for the investment firm to gain access to the TRS are listed in table 2:

Step/ paragraph	By
1. Written registration (2.1.1)	Investment firm
2. Checking the registration (2.1.2)	AFM
3. Issuing a certification account (2.1.3)	Ordina
4. Going through the certification procedure (2.1.4)	Investment firm
5. Issuing a production account (2.1.5)	AFM/ Ordina
6. Filing (2.1.6)	AFM
7. Informing the AFM about contact persons (2.1.7)	Investment firm

Table 2 Steps to be taken in order to obtain access to TRS

Each new step in the procedure can only be started if the previous step has been successfully completed. For each company filing an application, Ordina monitors in which phase of the procedure the investment firm[8] concerned finds itself.

2.1.1 Written registration

An investment firm that wishes to gain access to TRS should register by submitting an application form. This application form can be found in appendix A on page 59. The investment firm should send the application form directly to the AFM.

The investment firm should complete the application form accurately and completely and enclose a copy of a valid personal identity document of the person representing the firm and an extract from the Chamber of Commerce. The identity document and the extract from the Chamber of Commerce should together demonstrate that the registration is made by a person authorised by the firm to do so.

2.1.2 Checking the registration

The application form should be checked on the following points:

- ✓ the application form has been completed in full;
- ✓ the copy of the identity document is enclosed, and the name on the identity document corresponds to the applicant's name on the application form;
- ✓ the extract from the Chamber of Commerce is enclosed. The name of the company in question corresponds to the name of the applicant company. In addition, the extract shows that the applicant is authorised to make the application by naming the applicant as a director/authorised representative;
- ✓ the applicant company appears as a licensed firm in the public AFM database. An investment firm may only be granted access if it appears on the list.

If the application is turned down because one of the above conditions is not fulfilled, the investment firm will be contacted by the AFM and informed that the application cannot be processed, together with the reason for the rejection. If it is a matter of a missing form or copy, the investment firm will be able to resubmit the application.

[8] *Or on behalf of another investment firm or third party*

In all other cases, the application and all the related documents will be returned, together with a letter explaining the reason for the rejection. This will give the investment firm the opportunity to remedy any problem.
If the application is rejected because the investment firm is not included in the AFM database, this letter will also request the investment firm first to apply for a licence from the AFM before resubmitting the application. A response will be given within five working days after the receipt of the application, either in the form of a rejection or by processing the application.

2.1.3 Issuing a certification account

If the registration is completed correctly, the certification of the investment firm may begin. An investment firm-ID and user-ID for this investment firm are created on the certification/ test environment, and the following items will be sent to the investment firm:

- message detailing the subsequent procedure, the web address, the username of the investment firm and the related user-ID;
- this handbook Transaction Reporting;
- message specifying the password.

The first two items will be sent together on day one. This serves as confirmation that the application was received in good order. For security reasons the password will be sent separately the following day. The rights attached to the user-ID and the certification manual depend on the reporting method requested.

The following documents needed, can be found in the handbook:

- user manual (see chapter 3);
- certification manual (see appendix B on page 64).

2.1.4 Going through the certification procedure

Before an investment firm can report its transactions on the production environment, the investment firm must demonstrate that it can use the system in an adequate manner. For this purpose, it must carry out a number of tasks on the certification environment. These tasks are described in the certification manual.
During the period in which the investment firm is going through the certification procedure, it will receive active guidance and support from Ordina about technical issues. The AFM will answer or functional and content related questions.
Once this test has been satisfactorily, the production account can be created.

2.1.5 Issuing the production account

When the investment firm has completed the entire certification programme, it must request access to the production environment. After this request has been received, it will be verified whether the certification procedure was fully and correctly completed. If this is the case, an investment firm and a user-ID pertaining to this investment firm will be created. Using the same procedure as for the certification account, the following items will then be sent to the investment firm:

- message detailing the follow-up procedure, the web address, the name of the investment firm and the related user-ID;
- message specifying the password.

The first item is sent on day one. This is also the confirmation that the request was received in good order. The password will be sent separately the following day. The rights attached to the user-ID depend on the reporting method requested.

2.1.6 Filing

Once the investment firm has gone through the entire procedure, the application will be filed. For each application, the AFM will file the following documents:

- application form;
- copy of the identity document;
- extract from the Chamber of Commerce;
- copy of the message containing the account details for the certification environment;
- copy of the written request or printout of the request for access to the production environment;
- copy of the message containing the account details for the production environment.

Passwords issued are never retained. Investment firms should have the expected controls and procedures for passwords.

2.1.7 Informing the AFM about contact persons

To structure all communication about TRS between the AFM and the investment firm, the AFM would like to receive by email (mailto: melden@afm.nl) the following information:

Name, email address, telephone number of:

- compliance officer;
- second compliance officer (if any);
- responsible operational TRS - employee;
- second responsible operational TRS - employee.

All above persons will receive information about TRS (see paragraph 4.2 Communication about quality aspects).

3 User manual TRS

This chapter contains the TRS user manual (manual). The manual is intended for everyone who will use TRS: staff members of investment firms as well as AFM staff members. This manual provides the necessary support in using TRS.

This manual starts with a description of general operations. The next two paragraphs describe the user interface per role: Submitting firm – administrator and user.

- 'Submitting firm - administrator' (3.2) of the investment firms. It explains how new departments and users can be created, and how users can be linked to departments.
- 'Submitting firm - user' (3.3) describes the possibilities to report transactions in the following ways:
  - ✓ SFTP (3.3.1) → Uploading XML reports via SFTP, the most automated method;
  - ✓ web upload (3.3.2) → Uploading XML reports via the browser, which requires user operations;
  - ✓ manual keying (3.3.3) → Entering transaction data manually via the browser.

It also addresses the retrieval of reports made earlier and the cancellation of transactions

3.1 General operations TRS

3.1.1 Login

The URL to log in is: trs.afm.nl. As soon as you navigate to TRS using the browser, the login page appears.

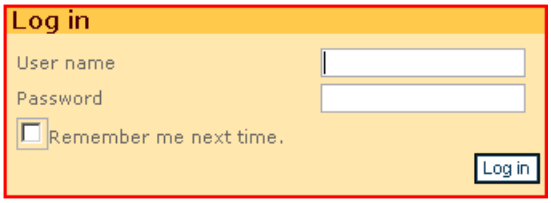

Figure 4 Login page

Enter your username and password and select ***Log in***. The username is a combination of your organisation code and login name and is case sensitive. This combination is the organisation code to which the username has been added. The two are separated by the "\" mark. For example: *MyOrg\MyName*.

If you always log in on the same computer, you can save your username on your computer. The next time you log in, the username will be filled in automatically.

If you do not use the application for more than 20 minutes, you will be logged off automatically. You will only notice this when you become active again, for instance by selecting a menu item. The login page will be displayed, so that you can log in again.

3.1.2 Menu

As soon as you have logged in, the following homepage will appear:

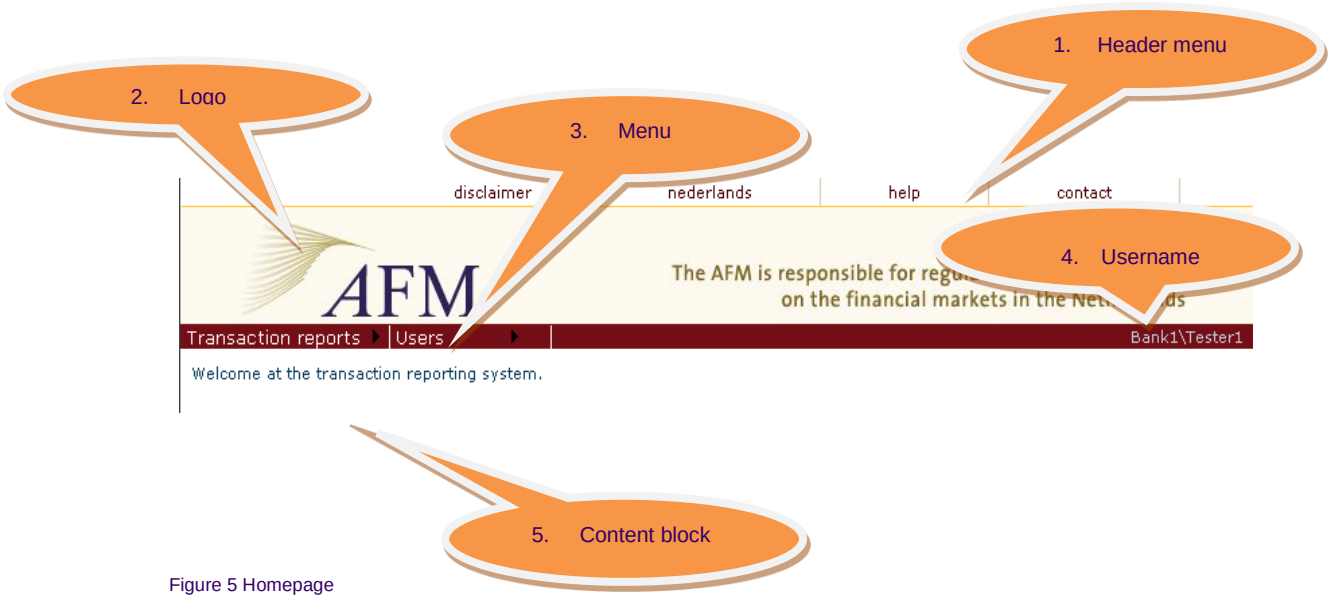

Figure 5 Homepage

All pages within TRS have the same layout:

1. the **Header menu**. Here you will find the contact details of the Ordina helpdesk under ´contact´. Under ´help´ you will find the help text pertaining to this page;
2. the **AFM logo**. Clicking on the logo will take you to the homepage;
3. the M**enu**. Move the mouse across the menu. The menu will fold out automatically. Move the mouse to the required menu item and left-click in order to select the menu item. This will activate the required page. Only those menu items for which you are authorised will be displayed.
   Users of Internet Explorer 8 need to enable compatibility view to avoid problems displaying the menu items (see http://blogs.msdn.com/b/ie/archive/2008/08/27/introducing-compatibility-view.aspx for instructions on how to enable compatibility view for a website);
4. your **Username** is shown to the right of the menu;
5. the **Content block**.

3.1.3 Logoff

We recommend that you log off as soon as you have finished working with TRS, or when you will not be using TRS for a while. You can do this by means of the menu item ***Log off*** from the ***Users*** menu. The following page confirms that you have logged off:

Figure 6 Logoff confirmation

Click on the ***Go to home …*** link to continue.

You will be logged off automatically if you have been inactive for more than 20 minutes. TRS will start from the beginning. All started activities are lost when logged off.

3.1.4 Change password

You can change your password by selecting the menu item ***Change password*** from the ***Users*** menu.

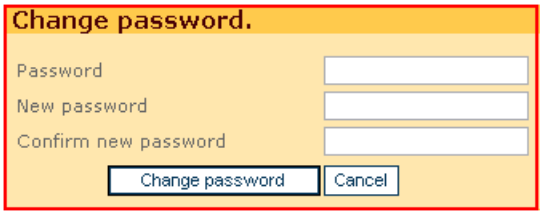

Figure 7 Change password

Enter your current password and enter your new password twice. Your password should contain at least eight characters. Among these characters there should be at least one capital, one lower case letter and one number.

3.1.5 Home

Select the AFM logo in order to go to the homepage.

3.1.6 Set language

TRS supports both Dutch and English. The language can be set via the header menu, by clicking on the desired language when logging in. The language can only be set in the home page and in the login page.

3.1.7 Help

You can open the help window for the current page at all times by selecting the ***help*** button in the header menu. This will open a new browser in which the help function is displayed. If no help function is available for the page, the following window will appear:

Figure 8 No help available for page

A click on the ***Cancel*** button will close the help window.

3.1.8 Lists

A number of pages contain lists setting out the required information. In general, these lists can be sorted. You can sort the list by clicking on a column title.

If lists are too large to be displayed on one page, the remainder of their contents will be displayed on the next page or pages. These pages can be reached by clicking on the hyperlinks shown underneath the list.

3.2 Submitting firm - administrator

As soon as you have logged in as the administrator of a Submitting firm, you can manage the departments and users of your investment firm.

Users can only report transactions on behalf of departments. You can award users the status of department member, which will give these users the right to report transactions on behalf of that department.

3.2.1 Department management

Select the menu item ***Manage departments*** from the ***Users*** menu.

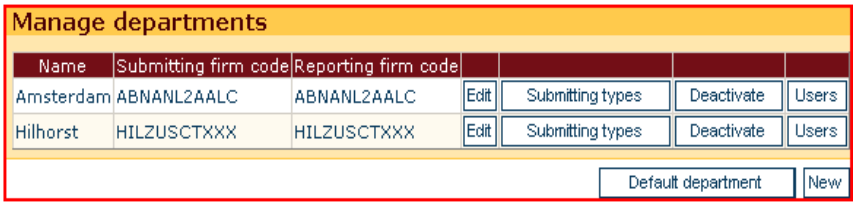

Figure 9 Department management

Every department has a unique name within the investment firm.

- the reporting firm code contains the BIC of the department/ investment firm whose transactions are reported;
- the submitting firm code contains the BIC of the department / investment firm reporting the transactions.

3.2.2 Creating or amending a department

If the department reports its own transactions, the two BIC will be identical. If a department makes a report on behalf of another department / investment firm, the BIC's will differ. Please make sure to input valid BIC's.

If another firm makes a report on behalf of your investment firm, you must create a new department for this firm. Make sure that the submitting firm code corresponds to the BIC of the firm making the report, and that the reporting firm code corresponds to the BIC of your own investment firm. You should then create a new user, and link this user to the new department. This data should be passed on to the firm in question.

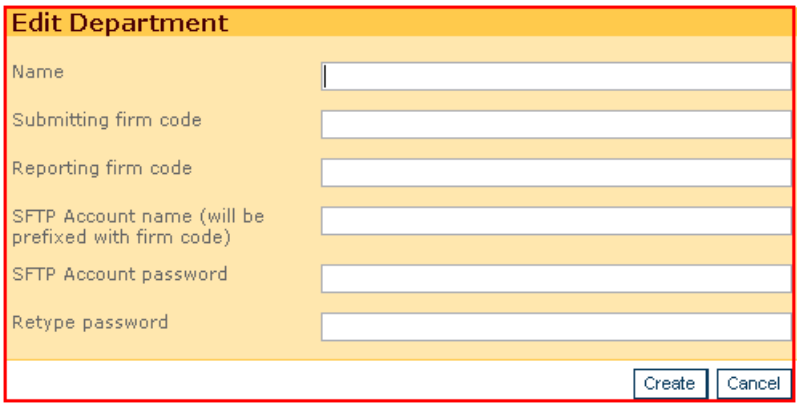

Figure 10 Creating a department

Enter the SFTP-details if the department will report transactions via SFTP. Every 15 minutes, the SFTP-data is automatically synchronised with the SFTP-server, which means that a connection can be established with the account after 15 minutes.

Please bear in mind that the firewall only allows connections from known IP-addresses. If you want to establish a connection from an unknown computer, you must first inform the AFM and Ordina of the IP-address.

When a department is amended, amendments will be interpreted as follows:

- when the SFTP-username is emptied, the SFTP-account will be removed. After 15 minutes it will no longer be possible to establish a connection under this username;
- a change of the SFTP-username means that the original SFTP user is removed and a new SFTP-user is created;
- completion of the password fields is regarded by TRS as a change of password. This change is also synchronised within the 15-minute period;
- if no amendments are made to the SFTP-fields, the SFTP-account will remain unchanged.

Please note that the SFTP-fields will not be displayed if the department is not allowed to use SFTP.

3.2.3 Report types

For each department you can set the report types allowed:

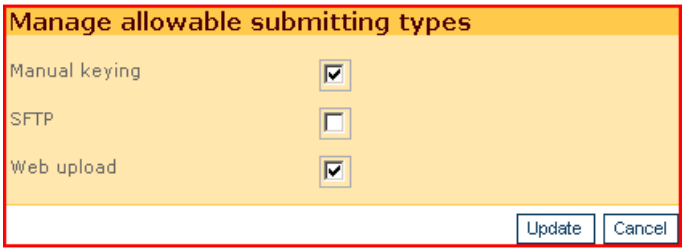

Figure 11 Report types allowed for a department

- **manual keying**: the department may report transactions with the browser via data entry;
- **SFTP**: the department may report transactions through XML-upload via the SFTP-protocol;
- **web upload**: the department may report transactions through XML-upload via the browser.

Please note: the rights assigned to a department cannot exceed those awarded to the investment firm of which the department is part!

3.2.4 Linking users to a department

You can link users to one or more departments. A user who is linked to a particular department can only report transactions for that department and transactions reported in respect of that department.

A user who is not linked to a particular department will automatically belong to the standard department. A user who is a member of the standard department can view all transactions reported for that investment firm and can make reports for every department.

The following rules apply:

- a user who is not an explicit member of a particular department will be an implicit member of the standard department;
- a user who is an explicit member of the standard department will be a member of the standard department, irrespective of any other memberships;
- a user who is an explicit member of one or more departments but not an explicit member of the standard department will not be a member of the standard department.

By clicking on ***Users*** or ***Default department*** in the department management screen, you can activate or deactivate explicit membership status.

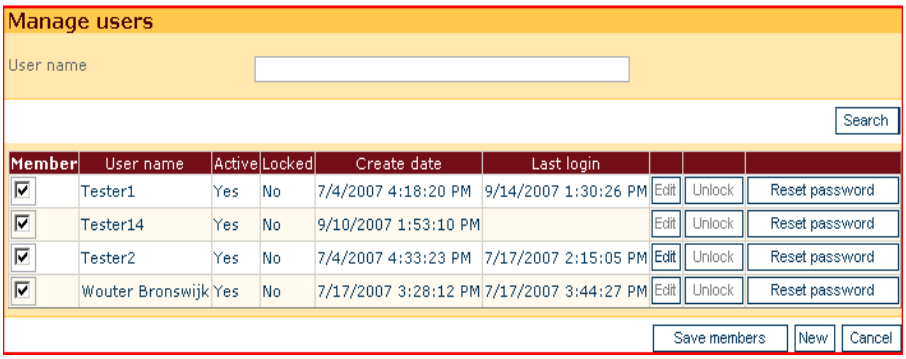

Figure 12 Department membership

By ticking the first column, the page shows whether or not the users displayed are staff members.

Click on the ***Save members*** button after you have added or removed users as staff members of the department, in order to save the change or changes.

When amending the membership of the ***default department***, you will only see the users with explicit membership status. If you want to know of which departments a user is a member, you can activate the user management option via the menu item ***User management***.

3.2.5 User management

Select the menu item ***Manage users*** from the ***Users*** menu.

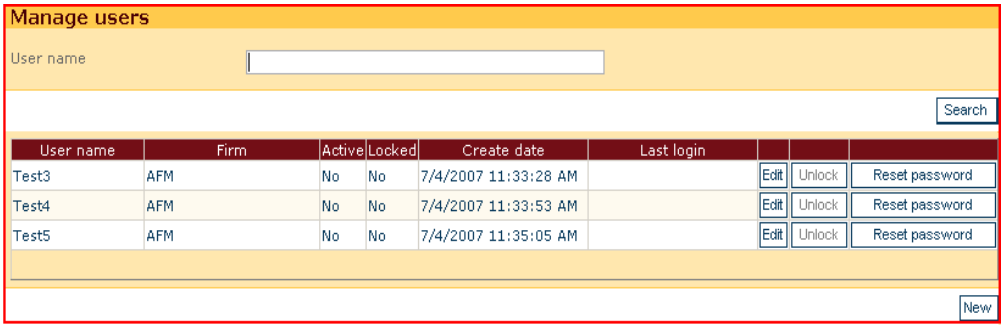

Figure 13 User management

You will see all the registered users of your investment firm.

In the field **User name** you can enter search criterion in order to restrict the length of the user list. In doing so, you can use wildcards, such as:

- ***A%*** gives a list of all the users whose names start with an A;
- ***%OH%*** gives a list of all the users whose names contain the term OH.

Please note that the criterion is case sensitive.

The list shows a number of user details:

- the name of the user (without the code of the investment firm);
- active → only active users may log in;
- lockout → a locked out user may not log in. Locking takes place after the user has tried to log in three times in a row with an incorrect password;
- created → shows the date on which the user was first registered;
- last login → shows the last date on which the user successfully logged in.

If a user has forgotten his or her password, you can reset the password. If a user is locked out, you can remove the lock by clicking on the ***Unlock*** button.

By clicking on the ***Edit*** button, you can amend the details of a registered user. By clicking on the ***New*** button, you can add a new user.

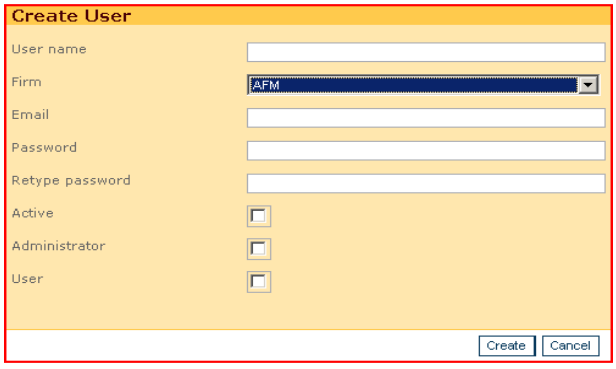

Figure 14 Creating or amending a user

Every user will be given a unique name, i.e. unique within the investment firm. If the username is already in use, this will be displayed when you try to create the user.

You can set the type of user by ticking the boxes ***Administrator*** and / or ***User***.

You can then make the user a member of one or more departments.

The indication ***active*** shows whether or not the account can be used. Once created, users cannot be removed. However, a user can be denied access to the system by deactivating his or her account.

3.3 Submitting firm - user

3.3.1 Disclosure via SFTP

A SFTP account can be set up for each department, provided that the investment firm to which the department belongs is allowed to use SFTP. After the account details have been set via the browser, it takes a while before an SFTP connection can be established with the account. The URL is: ftp.trs.afm.nl

The connection can only be established from authorised IP-addresses. You can use for example Filezilla to test SFTP connection. Username and password are required to log in and to set up authorisation for the different SFTP accounts within a firm. For each department a SFTP-account can be created with the right authorisation for the combination of reporting/ submitting firm code.

If no connection can be established, please contact Ordina.

The SFTP home directory contains two subdirectories:

- in → new transaction files may be placed in this directory;
- out → this is where the result of incoming files is placed.

To set up a connection with the SFTP server from TRS, use the following settings in Filezilla (sitemanager):

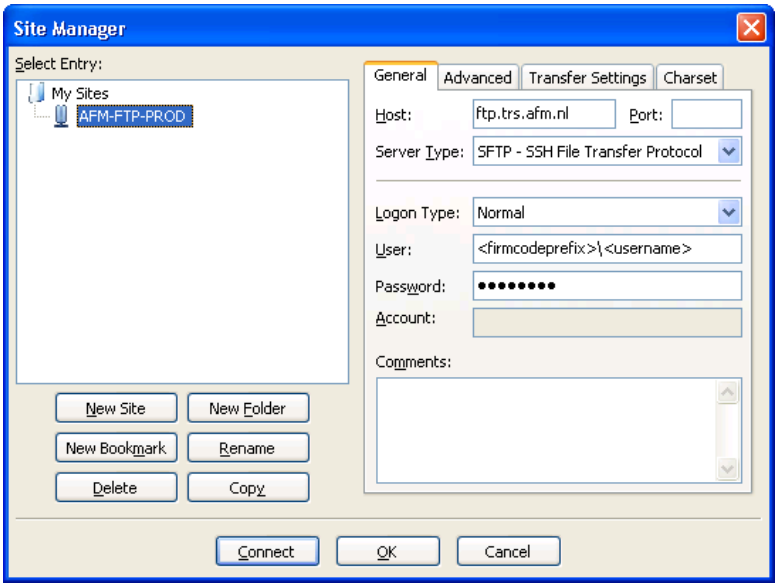

Figure 15 Connection with an SFTP client

The first time you set up a connection you have to deal with SSH Host Key. This key identifies the SFTP server from TRS. The Host Key can be trusted and saved in your cache, so the question does not arise each time you connect with SFTP.

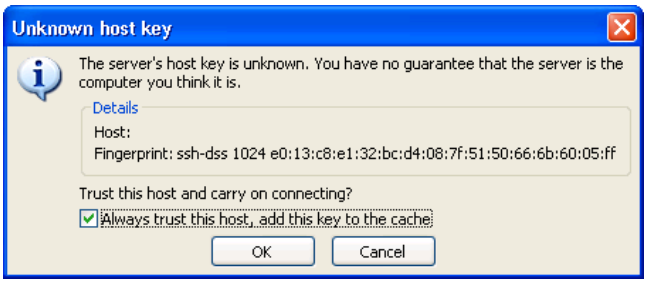

Figure 16 SSH Host Key

3.3.1.1 Submitting files

Files which you place in the ***In*** directory will be picked up and moved automatically. Therefore the file will not be displayed when you retrieve a listing of the ***In*** directory.
You are only authorised to upload files in the ***In*** directory. You are not authorised to perform other operations, such as deleting, renaming or downloading.
You are free in choosing a file name. However, we recommend that you choose a name with 36 characters or less which contains only letters and numerals.

The content of the file and the result file is XML, structured in accordance with ***afm-trs.so.xsd*** and ***afm-trs-result.xsd*** (appendix C on page 66 or at https://trs.afm.nl/XSD).

```
<?xml version="1.0" encoding="utf-8" ?>
<Report DateTimeCreated="2007-03-09T09:59:14" xmlns="http://www.afm.nl/1.0/afm-trs-so.xsd" >
        <SubmittingFirmCode="TSTAAEADXXX" />
        <ReportingFirmCode="TSTAAEADXXX" >
        </ReportingFirm>
    </Report>
```

The SubmittingFirm and ReportingFirm codes should correspond to those of the department of the SFTP account. If they do not correspond, this will result in an authorisation error.
The file names of all the files you submit will be accompanied by a time stamp. This means that every file will have a unique name. If you submit a file twice by mistake, it will be processed twice. We therefore recommend that you give each file a unique name anyway, so that you can easily verify whether you submitted a file before. If you are presenting a file for the second time, you will receive a message to the effect that the transactions should have a unique reference number. Because transactions are archived and removed from TRS after two months, this will only apply if you resubmit the report within two months.
It is possible to submit the files in compressed form. The system supports compressions .gz, .bz2 and .zip. The size of a compressed file must not exceed 4MB.
For each of the files you presented, you will receive a result file in the ***Out*** directory.

3.3.1.2 Picking up the result

As soon as a file you submitted has been processed, the result will be placed in the ***Out*** directory in the form of a file. Depending on the number of disclosures in progress and the size of the file submitted, this may take a few minutes.
As soon as a result file has been placed in the ***Out*** directory, you can download it. The file will be automatically deleted after 14 days. The file is a read-only file.
The name of the result file is identical to that of the file submitted, extended by the date and time when the file was received.
It is your responsibility to check the result files. The result can also be accessed via the website.

3.3.2 Disclosure via web upload

Select the menu item ***Upload*** from the menu ***Transaction reports*** in order to upload a file. The following page will be displayed:

Figure 17 Uploading a transaction report

The department dropdown menu contains all the departments of which you are a member and for which ***web upload*** is allowed. If none of the departments may report via ***web upload***, this will be indicated.

You can now select the department for which you are making the report. The XML transaction file contains the codes for the submitting firm and the reporting investment firm. These should correspond to the codes of the department.

You can then select the local transaction file which you want to upload and click on the import button. In case of a large file, it may take a while before you receive a confirmation that the file was submitted successfully. It is possible to submit files in compressed form. The system supports compressions .gz, .bz2 and .zip. The size of a compressed file must not exceed 4 MB.

TRS may not start processing the file immediately. This depends on the number of disclosures in progress at that moment. Nevertheless, you can view the result of the upload after a few minutes via the 'Find reports' screen.

3.3.3 Disclosure via manual keying

Manual transaction disclosure starts by opening the ***Current report*** from the ***Transaction reports*** menu. If no current report exists yet, it will be created automatically.

If you are a member of various departments that may report transactions manually, you should select the department for which you want to report transactions. Every department may have a current report, with a maximum of one per department. Several users of the same department may work on the same report.

Initially, the creation date of the current report will be the date on which the report was created. At the moment when you submit the report (i.e. make it final), this date is set to the moment of submission, so that the transactions can afterwards be retrieved on the basis of this moment.

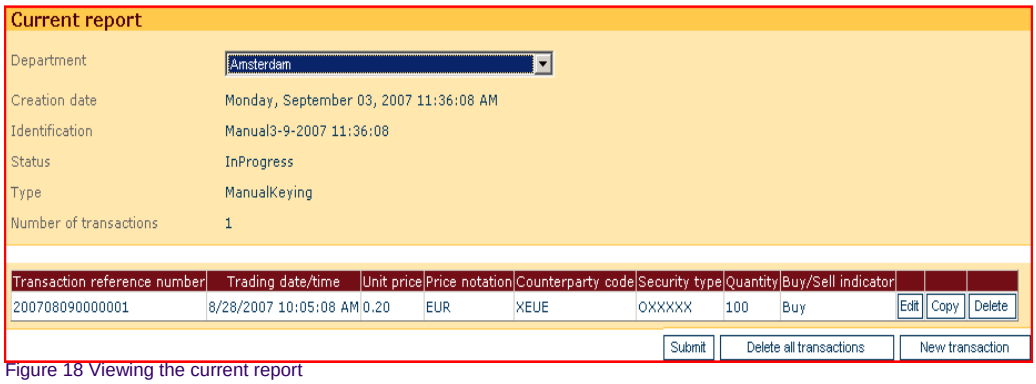

Figure 18 Viewing the current report

The current report page displays an overview of the transactions in the report. There are various ways in which you can create new transactions:

- new transaction → open the page for creating a transaction with standard filling;
- copy → open the page for creating a transaction with the data of the selected transaction.

Apart from creating and editing transactions, you can also delete transactions by using the ***Delete*** and ***Delete all transactions*** buttons.

Note that while your current report is not submitted yet, the transactions you have created in the report are not processed. A report with the status “InProgress” has not been submitted and is therefore not processed by TRS. By clicking on ***Submit***, you submit the report and TRS will process the transactions.

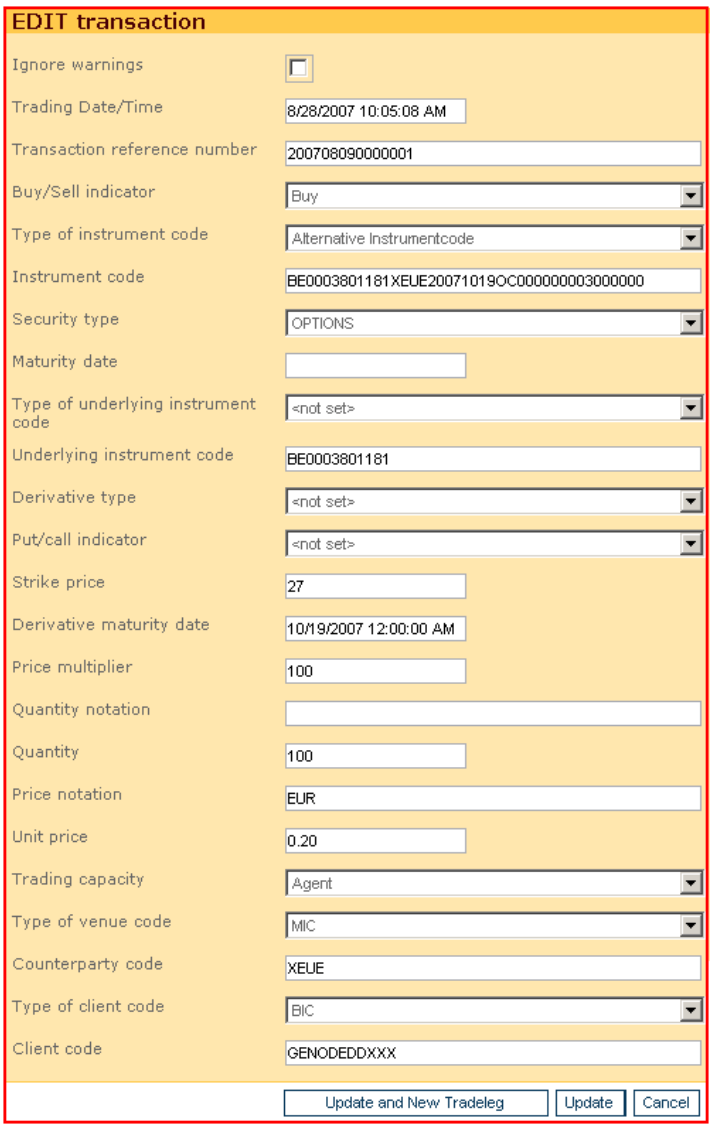

Figure 19 Creating a transaction

For each transaction you have to record a considerable amount of data. You are not required to enter irrelevant data. The relevance of data depends on the ***Security type***.

When you are trying to create a transaction, error messages or warnings may appear at the top of your screen.

Figure 20 Errors and warnings

Errors have to be rectified before you can create the transaction. Warnings can be ignored if you tick the box at ***Ignore warnings*** (only for manual input).

3.3.3.1 Viewing transaction disclosure reports

You can view transactions reported earlier via the menu item ***Search reports*** from the ***Transaction reports*** menu.

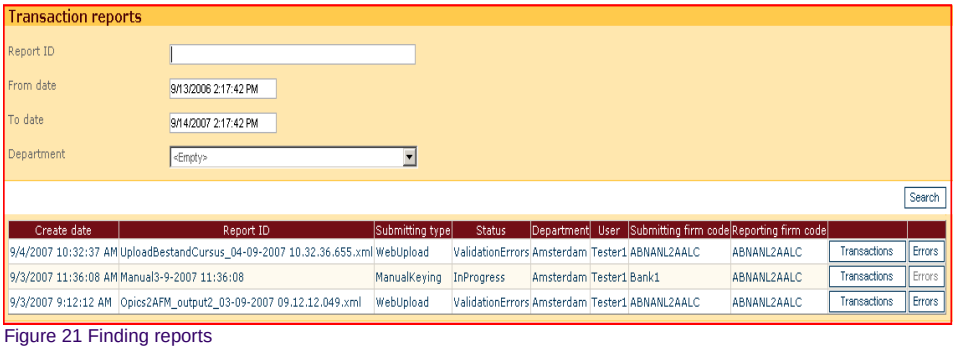

Figure 21 Finding reports

Among other things, the overview displays:

- report type by which transactions were disclosed (SFTP, Web upload or manual keying);
- status (in progress, processed successfully, processed with errors or unexpected error);
- user and the department of the user that submitted the report;
- investment firm for which the report was submitted.

You can view the transactions in the report by using the ***Transactions*** button and the errors found by using the ***Errors*** button.

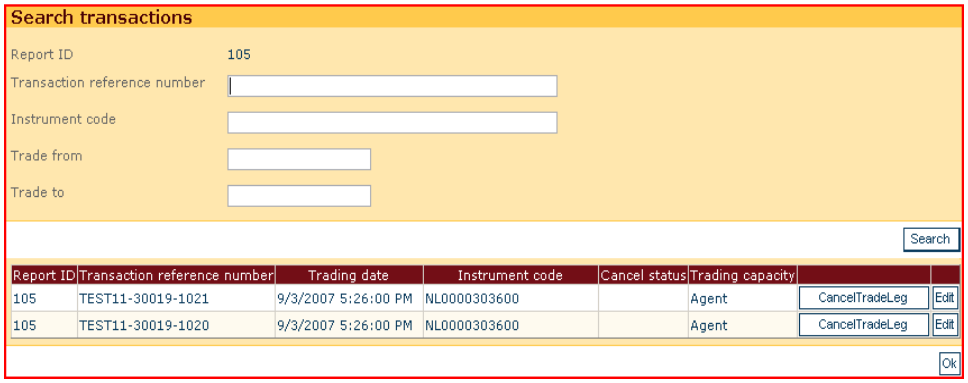

Figure 22 Finding transactions

You can cancel transactions of a report already processed by clicking on the ***CancelTradeLeg*** button. In that case, a new report will be prepared with cancellations and new transactions.

4 Data quality and content of transaction reports

This chapter is and remains important for all investment firms that already report in TRS or are starting to build their reporting tool. The order of this chapter is as follows: paragraph 4.1 outlines the required data quality and its importance. Paragraph 4.2 explains how the investment firm is able to reconcile the data quality; apply for an audit and how the AFM communicates about the quality aspects. Paragraph 4.3 describes special issues related to what to report, what not to report and who should report. Paragraph 4.4 is added in this version 2.0 to emphasize the fact that a reported transaction should match what in reality took place. The required transaction reporting fields are placed in a new order assisted with three questions for better comprehension about what has to be reported. Finally paragraph 4.5 describes each transaction reporting field and defines the standards, formats and feedback (TRS front errors) that should be adopted for each field for successfully report transactions to the AFM. Each field description will be completed with quality review issues and guidance (if any). The field names and the order of the fields described are identical to the transaction reporting fields format, which is equal to the data reconciliation format (see paragraph 4.2.1 and appendix G on page 79).

4.1 Quality aspects in TRS

The ability to identify and investigate potential market abuse and to exchange correct data with other European Regulators depends on receiving complete, accurate and timely transaction reports from investment firms.

The AFM identifies the following data quality aspects concerning the reporting of transactions:

- completeness in reporting (4.1.1);
- accurate reporting (4.1.2);
- timeliness of reporting (4.1.3).

The investment firms are responsible for making sure their transaction reporting meets with the above quality aspects. The AFM makes it possible for investment firms to review their data against their own internal records (see paragraph 4.2.1) and conducts audits to review the TRS-process (see paragraph 4.2.2). The AFM provides firms each month with an overview (see paragraph 4.2.3) and three times a year with a quality review (see paragraph 4.2.4).

4.1.1 Completeness

It is very important that investment firms report all relevant transactions in a correct fashion and on time. All executed transactions have to be reported. It is the firm's responsibility to make sure reports are complete. The AFM will check the completeness of transaction reports by comparing them to information from other sources, such as information the AFM receives from your counterparties, from data providers or markets. If, after some time, the AFM determines that TRS did not receive transactions the AFM intends to undertake disciplinary action. Please review your internal process regularly to make sure the chances of non-reporting are as low as possible. The AFM provides firms with a monthly overview with the number of transactions received that month. Firms should check to ensure that this is correct. If the investment firm finds transactions that should have been reported, please report them at once and inform the AFM by email.

4.1.1.1 TRS front errors (at transaction level or file level)

In order to be complete, it is also essential that firms solve all the received front errors as reported by TRS. Front errors are all errors which TRS automatically detects and are reported immediately to the submitting investment firms. This report contains errors on a transaction level (only the affected transactions are rejected by TRS), or on a file level, often a xml-error (all reported transactions are rejected).

Because the rejected file or transactions still needs to be reported on time, it is very important to check the TRS feedback file and to resend the rejected transactions without errors to TRS.

The AFM expects firms to review the errors that occurred on a daily basis and, if necessary, amend their system accordingly, in order to avoid these kinds of errors in the future. The AFM expects investment firms to have error-handling procedures in place which specify how rejected transactions are corrected and resubmitted. The AFM reserves the right to request a copy of this error-handling procedure.

4.1.2 Accuracy

All transaction data submitted to TRS should be accurate. This means that the transaction reports must match the reality of the underlying business activities with the accurate content of the fields. To clarify this accuracy aspect paragraph 4.4 is added in version 2.0. The order of the required fields are changed and assisted with three questions for better comprehension about what has to be reported. Investment firm should be able to check the reality with underlying documents and processes in combination with TRS-data. The investment firm can for example check for themselves if the trading time per executed transaction is reported correctly; if all venue-codes are reported, where the firm is a member; if intra-company transactions are accidentally reported; that the client-side of the transaction is reported with the venue-code ‘XOFF’; if the buy and sell is correct in combination with the trading capacity, and so on. The possibility to reconcile TRS-data is described in § 4.2.1 and the content of each field is described in § 4.5.

4.1.3 Timeliness

An investment firm that has executed transactions in financial instruments admitted to trading on a regulated market shall disclose the details of these transactions to the AFM as soon as possible and by the end of the following working day at the latest. The AFM reports whether investment firms have complied with this obligation in the monthly overview. If reporting firms do not comply, the AFM expects improvement or an explanation of a legitimate reason why transactions are reported late.

The AFM defines ‘working day’ as ending at 23.59.59. Working days are calendar days except all Saturdays, Sundays and official National holidays in the Netherlands. In case you are not sure if a certain date is a working day, please contact us to clarify.

4.2 Communication about quality aspects

4.2.1 Data Reconciliation

The AFM encourages the possibility for firms to regularly reconcile the data quality of their transaction reports. The AFM is able to give the investment firm a sample of transaction reports the AFM has received in TRS so the firm is able to check those transaction reports against its own internal records.

Paragraph 4.4 has been added to understand what a transaction report means taking into account the underlying business activity and what should be the content of the fields.

It is possible to receive transaction data not older than two months. Appendix G on page 79 will give you an overview of the transaction reporting fields you will receive.

4.2.2 Audits

The AFM also visits investment firms to audit the transaction process. You are welcome to apply voluntarily for such an audit (see audit format in appendix H on page 80). Audits make it possible to improve the guidance which benefits the data quality for all submitting and reporting investment firms.

4.2.3 Monthly overview with data quality aspects

All submitting investment firms receive an overview with quality aspects (completeness (inclusive front errors) and timeliness) every month. This overview will be sent to the compliance officer and responsible TRS- persons of the firm (see paragraph 2.1.7). It is the firm's responsibility to check this overview and seek contact with the AFM when necessary.

4.2.4 Quality review

The AFM will check the content of specific fields and combinations of fields in TRS every four months. If the AFM identifies possible issues, the AFM will communicate their findings to the compliance officer and responsible TRS persons of the investment firm. In response the investment firm must either explain why the issue is not a mistake or solve the issue and supply the AFM with an accurate timetable of the activities planned to do this. This detailed timetable is only necessary if it is expected that it will take the investment firm more than four months to solve the problems. If the same issue arises in subsequent quality checks, the AFM can take disciplinary measures. The AFM will continue to check the content of the fields and combination of fields and inform you about possible mistakes. This specific quality review is ongoing, which means that the AFM might notice new or other issues. Note that AFM's checks at any time are additional and do not replace the firm's own responsibility to report accurate. It is advisable for all investment firms to ask the AFM for transaction data and compare this with your own internal records (see paragraph 4.2.1).

4.2.5 Enforcement policy

The AFM intends with the monthly overviews, quality review, completeness checks and in the future additional checks on the data, to stimulate compliant behaviour. The responsible TRS persons within the firm will first be informed per letter with the request to explain the situation based on 'comply' or 'explain'. When the AFM does not notice any immediate improvement, the board of directors of the investment firm will get an update about the facts concerning the difficulties with meeting the transaction reporting requirement.

The checks, reviews and overviews form an important source to determine whether or not we will use disciplinary measures (for example a designation order, to impose an order for periodic penalty payments or a penalty). Another possibility is to use a designation order, followed by an order for periodic penalty payments to stop late reporting for a given period. The penalty for incomplete, late and inaccurate reporting is between € 500.000 and € 1.000.000 as provided for in legislation.

4.3 Specific issues: what to report

4.3.1 Transactions versus orders

The reporting obligation concerns transactions. This means that it is essential to report exactly how the order is executed on the place of execution. Order reporting (also called consolidated or aggregated transactions) for the market facing firms is held to be incorrect. However, the AFM also accepts the order when the executed transactions are hit at exactly the same price and time (down to the second).

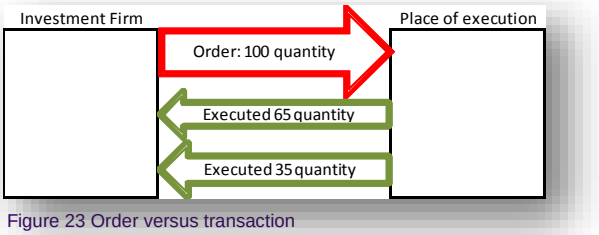

Figure 23 Order versus transaction

Example:

Broker sends an order on behalf of a client of quantity 100 of share X to the place of execution. The platforms reports that the order is executed as follows:

Quantity 35 for price €32,10 at datetime: 2010-07-14 15:32:48

Quantity 65 for price €32,10 at datetime: 2010-07-14 15:32:49

- ✓ *Correct: Transaction reporting requires the two separate executions with the specific details (trading time differs).*
- ❖ *Wrong: The report of one consolidated transaction of 100.*

4.3.2 The kind of transactions NOT to be reported

For the purposes of the Regulation[9], a reference to a transaction is a reference only to the purchase and sale of a financial instrument. This does not include any of the following transactions to be reported:

1. securities financing transactions (repo's, securities borrowing and lending);
2. the exercise of options or of covered warrants (and the related buy/ sell of the underlying at the strike price, caused by the exercise/ assignment);
3. primary market transactions (such as issuance, allotment or subscription) in financial instruments, this includes the open-end investment funds which are traded at their intrinsic value only[10];
4. non-securities derivatives[11]: transactions in commodity derivatives, foreign exchange derivatives or interest rate derivatives. ESMA and the Federation of European Stock Exchanges (FESE) have agreed that competent authorities do not need to require firms to report transactions in non-securities derivatives admitted to trading on regulated markets. The markets will report these transactions to their competent authority;
5. all internal administrative amendments of a transaction, if this does not affect any required field in TRS;
6. intra-company transactions (for transaction reporting purposes, intra-company transactions are transactions within the same legal entity, while inter-company transactions are transactions between two or more legal entities in the same group). Inter-company transactions must be reported to the AFM.
7. stock dividends which are divided along existing portfolio's (considered to be a primary market transaction). Note that stock dividends traded have to be reported (for instance to sell the fraction left after conversion).

4.3.3 Give-up trades/ Direct Marketing Access/ Sponsored Access

[9] *COMMISSION REGULATION (EC) No 1287/2006 of 10 August 2006*

[10] *Euronext Fund Service (EFS) transactions are excluded for transaction reporting because we regard them as primary market transactions.*

[11] *Non- securities derivatives meant are mainly options and futures. Warrants, turbo's and sprinters are considered to be securities derivatives and therefore should be reported.*

Some investment firm pass their transaction via another firm or firm's trading system to the market. Executing brokers who deliver these kinds of access are considered to be the market facing firm. The executing brokers (member of the platforms) are closest to the market transaction and should therefore report. The investment firm who uses these access methods are the clients of the executing brokers.

4.3.4 Contract for Differences and OTC-derivatives with an underlying admitted to trading on a regulated market

The AFM does currently not expect firm to report either contract for differences or OTC-derivatives[12] where the underlying instrument is admitted to trading on a regulated market.

4.3.5 Specific information about transactions done either with or via a broker

The difference between **with** and **via** a broker is respectively whether to report as 'XOFF' (OTC-transaction) or there is no reporting obligation at all (RTO activity), because the broker is the market facing firm. Some cases are described to make this clear:

Investment firm X undertakes a transaction with a broker (prices are available via quotes - quote is accepted - transaction executed)

The broker gives quotes and Investment firm X chooses the broker he will execute the transaction with as principal. Both the broker and Investment firm execute this transaction. Both firms need to report their side of the transaction.

Investment firm X executes a transaction via a broker (final price will be known after the transaction).

This example shows that Investment firm X places an order (either with or without a price limit) at an unspecified price. Investment firm X is executing this transaction. The broker is the market facing firm who should report this transaction.

Example:

> *Investment firm X wants to buy 10 mio bond of Company A against a price with a maximum of 101%. Investment firm X passes this on to his broker. The broker searches and find Bank Z as seller. The broker confirms this deal with Investment firm X. However X does not know the transaction has been executed with Bank Z. Broker and Bank Z are the reportable firms. Investment firm X can be identified as customer.*

This example shows an order with a limited price. The transaction is done **via** the broker. Investment firm X has no reporting obligation.

Investment firm X placed this order of 10 mio bond with several brokers and executed the transaction with the broker against the best price, then the transaction is done **with** the broker. Tradeweb (MTF) and Bloomberg conduct business in this way.

Investment firm X executes a transaction with another financial institution

Investment firm X executes an Over-the-counter (OTC) transaction with another financial institution. When the transaction is about a financial instrument that is admitted to trading on a RM, both parties have to report this transaction.

---

[12] *OTC-derivative means that the derivative is NOT admitted to trading on a RM, however the underlying instrument of this derivative is admitted to trading on a RM.*

4.4 Reported transaction versus reality

Recent audits showed that the reported transactions often do not match the transaction that in reality took place. This directly influences the accuracy aspect of the data quality and must be looked at with high priority. Before looking at the content of each transaction reporting field, it is very important to understand the meaning of the fields together in order to report accurate. The next page will show an example.

The transaction fields are divided into three blocks each with a guided question:

Question 1: Are the parties of the reported transaction involved correct (depending on the TradingCapacity[13])?

TradingCapacity: Agent:

on behalf of a client; reported from the perspective of the client.

TRS-fields
ReportingFirmCode
TradingCapacity
BuySellIndicator
TradingDateTime
TimeZoneId
VenueIdentificationCode
VenueIdentificationCodeType
CounterPartyCode
CounterPartyCodeType
ClientCode
ClientCodeType

Investment firm <ReportingFirmCode> executed a <BuySellIndicator> transaction executed on <TradingDateTime> on a place of execution <VenueIdentificationCode;Type> with <CounterPartyCode;Type> on behalf of <ClientCode;Type>

TradingCapacity: Principal:

either on behalf of a client or for its own account; reported from the perspective of the investment firm[14].

- for its own account: one transaction: only the market side transaction;
- on behalf of a client: always at least two transaction lines (market/ or broker side and the client side transaction) to report the relevant information. Only this way the position of the firm will be zero (0).

Investment firm <ReportingFirmCode> executed a <BuySellIndicator> transaction executed on <TradingDateTime> on a place of execution <VenueIdentificationCode;Type> with/ for <CounterPartyCode;Type>.

Notes:

- <ClientCode;Type> are not applicable in the principal transaction. Information about the client should be entered in the field <CounterPartyCode;Type>.
- The client side of a transaction always has 'XOFF' in the <VenueIdentificationCode;Type> and never a MIC of a venue;
- It is advised to report the broker side as well, when the client side is already part of the reporting process. Only this way the position of the firm will be zero (0). See example on the next page.

Example: Case description

13 Only the firm knows if it acted in an agency or principal capacity – the key difference is that with principal, the financial instrument hits its own account (even if only momentarily) where it never does in an agency capacity.
14 The principal definition for transaction reporting is broader than investment firm's use for other business perspectives.

A client (C-id) places an order to buy 1000 instruments (I) directly at the Investment Firm (IF) (=ReportingFirmCode). This IF receives the order and executes this order as follows:

- 600 instruments directly on venue (VEN1) and
- 400 instruments **via** a broker (BROKER) on venue two (VEN2). See figure 24:

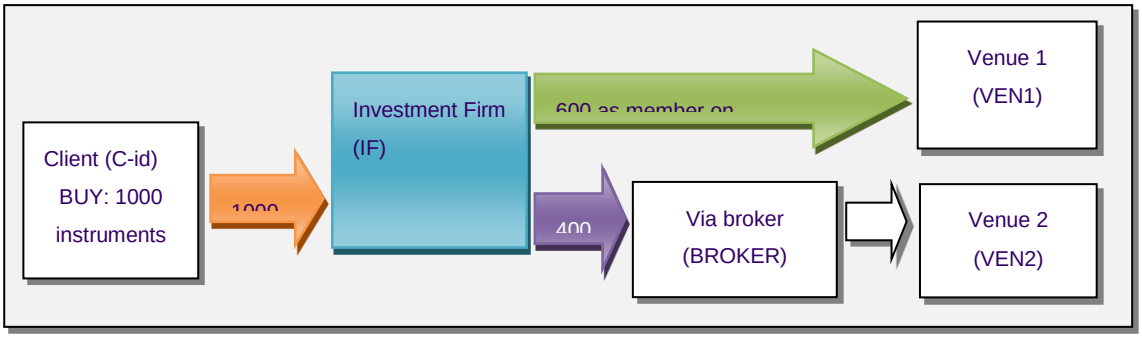

Figure 24 Drawing of the case. The colors of the arrows are consistent with the content of the reports

AGENT-report

The client order is directly transferred (without administrative action) through the IF to the relevant market/ broker. The client receives two separate confirmations of the order execution. IF reports two Agent-transactions (from the perspective of the client):

TRS-fields	**Report_1**	**Report_2**
ReportingFirmCode	IF	IF
TradingCapacity	**A**	**A**
BuySellIndicator	B	B
VenueIdentificationCode	VEN1	XOFF
CounterpartyCode	VEN1	BROKER
ClientCode	C-id	C-id
InstrumentCode	I	I
Quantity	600	400
UnitPrice	P_1	P_2

PRINCIPAL-report (on behalf of a client)

The execution of this order is first collected on an own/ internal account before the client receives confirmation of the completed order with an (average) price.

IF reports three Principal-transactions (from the perspective of the IF: a buy from broker; a buy from market and a sell to her client (which leads to zero position (+600+400-1000) for IF):

TRS-fields	**Report_1**	**Report_2**	**Report_3**
ReportingFirmCode	IF	IF	IF
TradingCapacity	**P**	**P**	**P**
BuySellIndicator	B	B	S
VenueIdentificationCode	VEN1	XOFF	XOFF
CounterpartyCode	VEN1	BROKER	C-id
ClientCode	*not applicable*	*not applicable*	*not applicable*
InstrumentCode	I	I	I
Quantity	600	400	1000
UnitPrice	P_1	P_2	P_avg

Question 2: **Is the reported data of the financial instrument correct?**

TRS-fields
InstrumentCode
InstrumentCodeType
SecurityType
Quantity
QuantityNotation
UnitPrice
PriceNotation

The transaction concerns <InstrumentCode;Type> and <SecurityType> with the following <Quantity; QuantityNotation; UnitPrice; PriceNotation>.

Notes:

This question strongly relates with details from the above first question. TradingDateTime should match the exact time [hh:mm:ss] down to the seconds of the executed transaction (use time stamp of the venue); the actual VenueIdentificationCode where the transaction took place is important and not where the specific instrument has its listing.

Question 3: **Are firms able to reconcile the technical fields with the front and back office information?**

TRS-fields
SubmittingFirmCode
TransactionReferenceNumber
CancellationFlag
ReportId
SubmittingType
DateTimeCreated
ReportedCreateDateTime

<SubmittingFirmCode> reported transaction <TransactionReferenceNumber; CancellationFlag> in <ReportId> via <SubmittingType> and has been processed by the TRS/AFM on <DateTimeCreated>. The xml-file of the <SubmittingFirmCode>consists of the <ReportedCreateDateTime>.

Notes:

<ReportedCreateDateTime> should contain the actual DateTime the file has been sent to TRS by the investment firm. The AFM often sees a fixed DateTime in this field.

Additional advice

The AFM also experienced that there is room for additional advice, taking into consideration the (changing) business of investment firms and the supporting IT-systems in combination with the expected data quality aspects (completeness, accurateness and timeliness) of the transaction reporting obligation.

- ✓ Understand your current process - What is the regulatory scope? Do you overreport (all financial instruments and not only the relevant financial instruments)?
- ✓ Include people from the business (front office), operations (back office), IT and compliance together, in order to understand the meaning and the content of the transaction reports in combination with the underlying activities where transactions come from.
- ✓ Set up a data field matrix which includes all data fields reported to the AFM in combinations with all relevant information to fill these fields from the firm systems (see Appendix I on page 82).
- ✓ Make people within your firm responsible and accountable for the requested transaction data reported.
- ✓ Analyze, improve and control the whole cycle: from business till actual reporting;
- ✓ Use the reported transaction data for management information to get feedback about what has been reported (number of transactions, different categories, turnover)
- ✓ Use the TRS test environment to send transactions after system adoptions.
- ✓ Request the AFM for a sample of transaction data in order to fulfill the data reconciliation (see § 4.2.1).

Bear in mind that any:

- system change and/ or update might lead to unintentional misreporting and should be monitored closely;
- business change may lead to a change of focus of what should be reported;
- legal/ regulatory change may lead to a complete change of the reporting requires.

The AFM understands that the expected data quality aspects (completeness, accurateness and timeliness) are straight forward, however we realize that the systems and functions of financial institutions are complex.

Therefore the AFM strives for:

- clear requirements and guidance (handbook is available);
- early and sufficient timeliness for implementing changes to process;
- constant and open communication (ESMA consultations, working groups, forums).

4.5 Content of the transaction reporting fields

Investment firms are allowed to report more than one file per day. The maximum size of a file containing transactions is 4Mb. This is about 4000 transactions. If you want to send a higher number of transactions, you can either send more than one file or you can compress the file with .gz, .bz2 and .zip. It is possible to include about 150.000 transactions in one file in this manner.

The next paragraphs will describe each field and will have the following content:

Description	the description of the content of the field taken from the Regulation
Standard	how this field should be populated (based on what ISO or other agreements)
Format	technical content accepted in TRS
Validation	TRS executes a validation and reports feedback
Related fields	field that relate to another
Front error(s)	TRS automated feedback (most common)

Quality review (essential to meet accurate reporting)

Issues for the specific field(s) will be explained here. The headings of issues are kept brief. The reviews are about: the content of certain fields are equal and they shouldn't, there is an incorrect combination of fields; or the field itself is populated incorrectly. The AFM always asks the firm to explain why the transaction was reported this way and leave a certain possibility open for arguments from the firms. The key note is to understand the reported transaction versus the reality behind the transaction.

Guidance

Through feedback, questions and audits the AFM has collected useful guidance to enhance data quality and accuracy. Where applicable these factors are mentioned here.

The order of the description of the fields is based on three questions (as described in paragraph 4.4) with the goal: does the reported transaction match the reality?

Question 1: Are the parties of the reported transaction involved correct (depending on the TradingCapacity)?
Question 2: Is the reported data of the financial instrument correct?
Question 3: Are firms able to reconcile the technical fields with the front and back office information?

Appendix G: Transaction reporting fields on page 79 is adapted accordingly. The AFM is able to provide a file (.csv) with the column headings in this order. The AFM encourages investment firms to reconcile the transaction data versus their own internal records and to check reality (see § 4.2.1).

4.5.1 ReportingFirmCode

Description	A unique code to identify the investment firm which executed the transaction
Standard	The SWIFT/ Bank Identifier Code (BIC) ISO 9362 must be used
Format	Eleven alphanumeric characters
Validation	A valid eleven alphanumeric character BIC must be present in the reporting field identification.
Related fields	ClientCode; CounterPartyCode
Front error(s)	Invalid reporting firm code: Either this field contains no BIC, inactive BIC, invalid BICcountry, or has an invalid length (8 instead of 11 char.)

Quality review issues for this field or combination of fields

ReportingFirmCode content equals CounterPartyCode

The AFM concludes that a number of transactions are reported having the same content for the fields ReportingFirmCode and CounterPartyCode. Based on this, it looks like you traded against yourself. Is this correct? Could you please explain the situation in reality behind this transaction?

ReportingFirmCode content equals ClientCode

The AFM has concluded that a number of transactions have been reported having the same content for the fields ReportingFirmCode and ClientCode. The AFM would like to know on whose behalf you were trading? In case you traded for your own account, the transaction should be reported in the TradingCapacity as Principal and the field ClientCode should be left out. In other cases you should check whether the field ClientCode has been correctly populated?

Guidance

TRS allows firms the ability to select a submitting firm or party that reports on behalf of different Investment firms (see paragraph 1.7). However when an investment firm already reports transactions directly in TRS, the AFM found out that reports are more accurate when the investment firms would report all transactions themselves. Mainly because of different use and choice of the TradingCapicity Principal and Agent.

It is possible that not all investment firms have a BIC. Where a BIC is not already available, it can be requested from SWIFT. This request is free of charge and the investment firm does not have to be member of the SWIFT network to obtain a BIC.

4.5.2 TradingCapacity

Description	identifies whether the firm executed the transaction: - on its own account (either on its own behalf or on behalf of a client); - for the account, and on behalf, of a client
Standard	The trading capacity of the firm making the transaction report. Valid codes are: A(gent): for the account, and on behalf, of a client P(rincipal): on its own account (either on its own behalf or on behalf of a client).
Format	single alpha character; can only be 'A' or 'P'
Validation	Mandatory field. Must be one of the mentioned codes.
Related fields	BuySellIndicator, ClientCode(Type), CounterPartyCode(Type)
Front error(s)	-

Quality review issues for this field or combination of fields

Not applicable (yet)

Guidance

The AFM stipulates that the use of TradingCapacity 'P' (principal) must be used for all trading activities for the firm's own account or proprietary trading. Reporting these transactions with TradingCapacity 'A' (agent) is considered to be incorrect.

TradingCapacity Agent

- setting up the reporting tool the choice of reporting transactions on behalf of clients as Agent requires special attention be paid to the difference between transaction executed versus order (see § 4.3.1).
- the BuySellIndicator is populated from the perspective of the client.
- preferable a ClientCode is submitted to identify the client.
- the CounterPartyCode is equal to the VenueIdentificationCode or in case of 'XOFF' the BIC of the investment firm acting as the counterparty, or in case the order is passed to another firm the BIC of this investment firm (broker). See also the example described in § 4.4

TradingCapacity Principal

When transactions on behalf of clients are reported as Principal, the AFM always expects at least two sides of the transaction. Only when all transactions are reported (or both sides: client and broker/ market) the position of the financial instrument from the reporting firm will be zero (0) and there will be no misunderstanding between proprietary trading positions and client facilitating transactions.

1. one buy/sell from the place of execution or the broker;
2. followed with the sell/ buy to the client (with preferably a client-ID entered. The client-ID should be entered in the CounterPartyCode field.

- the BuySellIndicator is populated from the perspective of the investment firm.

See also the example described in § 4.4

TradingCapacity	ClientCode	CounterPartyCode
Agent	YES	YES
Principal	NO	YES

4.5.3 BuySellIndicator

Description	Identifies whether the transaction was a buy or sell from the perspective of the reporting investment firm, or in the case of a report to a client, of the client
Standard	To identify whether the transaction was a buy or sell
Format	single alpha character; can only be 'B' or 'S'
Validation	Mandatory field. Must be one of the mentioned codes.
Related fields	TradingCapacity
Front error(s)	-

Quality review issues for this field or combination of fields

Not applicable (yet)

Guidance

In case of a principal trade (P), the BuySellIndicator is populated from the perspective of the investment firm.
In case of an agent trade (A), the BuySellIndicator is populated from the perspective of the client.

4.5.4 TradingDate - TradingTime and TimeZoneId

4.5.4.1 TradingDate

Description	The trading day on which the trade was executed
Standard	The extended ISO 8601 Date Format standard YYYY-MM-DD must be used to identify the trading date
Format	YYYY-MM-DD
Validation	Mandatory field: It must be the correct date format
Related fields	TradingTime; TimeZoneId
Front error(s)	Trading date cannot be in future

4.5.4.2 TradingTime

Description	The time at which the transaction was executed. The time is expressed according to a certain time zone. This time zone is reported in the field TimeZoneId.
Standard	The ISO 8601 Time Format HH:MM:SS should be used to identify the time at which the transaction was executed
Format	HH:MM:SS
Validation	Mandatory field: the correct format (HH:MM:SS) must be used
Related fields	TradingDate; TimeZoneId
Front error(s)	-

4.5.4.3 TimeZoneId

Description	Time Identifier. This field contains the TimeZoneId in which the TradingTime is expressed.
Standard	This field should be included with values '+HH' or '-HH' to indicate that the used time zone for the trade is HH hours ahead or behind UTC.
Format	'+HH' or '-HH' or '+00' or <empty>
Validation	Mandatory field with correct format
Related fields	TradingDate; TradingTime
Front error(s)	-

Quality review issues for this field or combination of fields

Transactions with TradingTimes outside the official opening hours of the venues

In the received transaction from your investment firm, transactions are found with trading times outside the official opening hours of the market involved. One cause might be the wrong usage of the time zone. Another cause might be a wrong population of the fields TradingTime and TimeZoneId (=TimeIdentifier). In case of a trade in Amsterdam at 5 PM during the winter period the fields should be populated as follows:

Correct: <TradingTime TradingTimeUTC="17:00:00" TimeIdentifier="+01" />

Wrong: <TradingTime TradingTimeUTC="17:00:00+01:00" TimeIdentifier="0" /> or

<TradingTime TradingTimeUTC="17:00:00+01:00" TimeIdentifier="+01" />

Default Times (00:00:00/01:00:00/23:59:59)

The AFM found transactions with a TradingTime: 00:00:00/ 01:00:00/ 23:59:59 (so called default times). It is not very likely transactions took place at these default times. Could you explain the reason why these transactions are reported with default times?

Guidance

Timestamp of the trading venue

To report the exact time of the execution of a transaction, use the timestamp the venue reports to you (hh:mm:ss).

Daylight Saving time

Keep in mind that the UTC time has no Daylight Saving Time adjustment. This means that you have to adjust your time whenever your local time changes to Daylight Saving Time and therefore once again when the clocks are set back.

For example, you execute a transaction at 15:23:12 Amsterdam time. You report:

in summer: TradingTime=”15:23:12” and TimeIdentifier=”+02”;

in winter: TradingTime=”15:23:12” and TimeIdentifier=”+01”.

Local time versus time of the market

For example, you execute a transaction in London at 15:23:12 Amsterdam time (14:23:12 London time).

You have the possibility to report the local time (Amsterdam) or the time of the market (London).

Reporting your local time:

in summer: TradingTime=”15:23:12” and TimeIdentifier=”+02”;

in winter: TradingTime=”15:23:12” and TimeIdentifier=”+01”.

Reporting the time of the market:

in summer: TradingTime=”14:23:12” and TimeIdentifier=”+01”;

in winter: TradingTime=”14:23:12” and TimeIdentifier=”+00”.

Data Reconciliation

Submitting and reporting firms are able to request an overview of transaction which TRS has received to reconcile the data with their own records (as indicated in § 4.2.1). In this transaction overview the TimeZoneId is already integrated in the TradingDateTime.

4.5.5 VenueIdentificationCode and Type

4.5.5.1 VenueIdentificationCode

Description	Identification of the venue where the transaction was executed. That identification shall consist of: - where the venue is a trading venue; its unique harmonised identification code; - otherwise the code 'XOFF' for OTC
Standard	**Trading Venue** / **Standard** / **ISO** Regulated Market (RM) / MIC / 10383 Multilateral Trading Facility (MTF) / MIC / 10383 Markets outside the EEA / MIC / 10383 Systematic Internaliser (SI) / valid BIC (11 char.) / 9362 Off Market (OTC) / 'XOFF' / -
Format	Depending on the standard above
Validation	Should be a valid MIC, valid BIC or 'XOFF'; TRS validates the combination of fields <VenueIdentificationCode> and <InstrumentCodeType>. Depending on the <VenueIdentificationCode>, on which the transaction was executed, the field <InstrumentCodeType> should be populated either <empty> for (ISIN) or <AI> (see text guidance for AII-markets). On these markets transactions should be reported using an AI. On all other markets transactions should be reported using an ISIN.
Related fields	VenueIdentificationCodeType, CounterPartyCode(Type), InstrumentCode(Type)
Front error(s)	Venue identification code cannot be empty; Unknown venue identification code; The venue identification code is not consistent with the instrument code

4.5.5.2 VenueIdentificationCodeType

Description	The type of code used in the VenueIdentificationCode
Standard	**VenueIdentificationCode** / **VenueIdentificationCodeType** BIC (SI) / B MIC / M 'XOFF' (OTC) / M
Format	single alpha character; can only be 'B' or 'M'
Validation	Mandatory field. Must be one of the mentioned codes.
Related fields	VenueIdentificationCode

Quality review issues for this field or combination of fields

Incorrect combination of VenueIdentificationCode and CounterPartyCode

The AFM has found transactions in which the CounterPartyCode has been populated with a BIC/ Internal Code or where the MIC in the field CounterpartyCode differs from the VenueIdentificationCode.

Please investigate the reality behind the reported transaction, because either:

1. VenueIdentificationCode should be 'XOFF' instead of the current MIC

In case the reported transaction represents the client side or for which you used a broker (via) to execute the transaction on the market the VenueIdentificationCode should be populated with 'XOFF' instead of the current MIC. Most of the time the CounterPartyCode and/or the ClientCode are filled with a correct BIC/ Internal code.

>>>

2. CounterPartyCode should equal VenueIdentificationCode

On most venues, a central counter party acts as the counterparty to market parties. In this case, the CounterPartyCode should be populated with the MIC of the venue. This also implies that when the CounterPartyCode is populated with a MIC, this MIC should be equal to the MIC populated in the VenueIdentificationCode.

~~**Incorrect combination of VenueIdentificationCode and InstrumentCodeType**~~

<This review issue is automated in TRS per 1st of December 2010 and generates a front error>

Incorrect combination of VenueIdentificationCode and Alternative Identifier (AII)

The AFM found transactions for which the VenueIdentificationCode is not equal to the VenueIdentificationCode in the AII-code. For instance the VenueIdentifictaionCode is XLIF and the AII-code: XEUEAAIOC2011-03-1811. This suggests the firm traded a derivative of venue NYSE Euronext Liffe Amsterdam on the venue NYSE Euronext Liffe London. Could you investigate whether the VenueIdentificationCode or the AII-code is correctly reported? Please confirm to us what happened? Please make sure in the future you populate the VenueIdentifiactionCode or the AII-code according to the market you actually traded on.

Incorrect combination of VenueIdentificationCode and SecurityType

The AFM found transactions in classes of instruments, which are not traded on the mentioned market. For instance, derivatives traded on the cash market, or equities on a derivatives market.

Guidance

Please report the MIC of the venue where the actual transaction took place.
For debt instruments the AFM often notices the report of 'XOFF' even though the debt instruments were traded on venues with a MIC, like 'TREU' (TradeWeb), MTS-markets or other debt markets.

The official ISO 10383 MIC list contains some MIC's for institutions which are not venues as defined in the MiFID. Examples are 'BLTD' (BLOOMBERG TRADEBOOK LLC), 'XCOR' (ICMA); 'BOAT' (Markit Boat) and 'XOTC' (OTC bulletin Board). The AFM is not against reporting these MIC's, because they add information on how the transaction has been executed.

The German authority (BaFin) stipulates the use of the MIC's of the actual market places (XETA, XETB, XETC, etc.) where the transactions are executed in stead of 'XETR' (Xetra). Xetra functions as a market operator, and is not the actual venue/ market segment. Firms often use the generic MIC 'XETR' instead of the actual codes of the market places.

Check the ISO website http://www.iso15022.org/MIC/homepageMIC.htm to ensure that its MICs are complete and correct. Any new regulated markets or MTFs will require a MIC.

4.5.6 CounterPartyCode and Type

4.5.6.1 CounterPartyCode

<table>
<tr><td>Description</td><td>Identification of the counterparty of the transaction. That identification shall consist of:
- where the counterparty is an investment firm, a unique code for that firm, to be determined by the competent authority (if any) to which the report is made;
- where the counterparty is a regulated market or MTF or an entity acting as its central counterparty, the unique harmonised identification code for that market, MTF or entity acting as central counterparty, as specified in the list published by the competent authority of the home Member State of that entity in accordance with Article 13(2);
- where the counterparty is not an investment firm, a regulated market, an MTF or entity acting as a central counterparty, it should be identified as ‘customer/client’ of the investment which executed the transaction</td></tr>
<tr><td>Standard</td><td>
<table>
<tr><th>Counterparty</th><th>Standard</th><th>ISO</th></tr>
<tr><td>Investment Firm</td><td>valid BIC (11 char.)</td><td>9362</td></tr>
<tr><td>Regulated Market (RM) (with Central Counterparty) or market outside the EEA</td><td>MIC</td><td>10383</td></tr>
<tr><td>Multilateral Trading Facility (MTF) (with Central Counterparty)</td><td>MIC</td><td>10383</td></tr>
<tr><td>Systematic Internaliser (SI)</td><td>valid BIC (11 char.)</td><td>9362</td></tr>
<tr><td>Non Investment Firm with a BIC code</td><td>valid BIC</td><td>9362</td></tr>
<tr><td>Other</td><td>Internal code (up to 40 characters)</td><td>-</td></tr>
</table>
</td></tr>
<tr><td>Format</td><td>Depending on the standard above</td></tr>
<tr><td>Validation</td><td>All BIC & MICs should have a valid format. The internal code is max 40 characters.</td></tr>
<tr><td>Related fields</td><td>CounterPartyCodeType; TradingCapacity</td></tr>
<tr><td>Front error(s)</td><td>Counter party code cannot be empty (BIC, Internal, MIC); Invalid counter party code: Invalid country code (BIC); Invalid counter party code: Invalid length (BIC, MIC, Internal); Unknown counter party code (BIC, MIC)</td></tr>
</table>

4.5.6.2 CounterPartyCodeType

<table>
<tr><td>Description</td><td>The type of code used in the CounterPartyCode</td></tr>
<tr><td>Standard</td><td>
<table>
<tr><th>CounterPartyCode</th><th>CounterPartyCodeType</th></tr>
<tr><td>BIC</td><td>B</td></tr>
<tr><td>MIC</td><td>M</td></tr>
<tr><td>Other (a firm internal reference code)</td><td>I</td></tr>
</table>
</td></tr>
<tr><td>Format</td><td>single alpha character; can only be ‘B’; ‘M’; or ‘I’</td></tr>
<tr><td>Validation</td><td>Mandatory field. Must be one of the mentioned codes.</td></tr>
<tr><td>Related fields</td><td>CounterPartyCode</td></tr>
</table>

Quality review issues for this field or combination of fields

ReportingFirmCode content equals CounterPartyCode

See full description § 4.5.1

CounterPartyCode content equals ClientCode

The AFM concludes that a number of transactions are reported having the same content for the fields CounterPartyCode and ClientCode. It looks like you have traded against the party that is also the client. Could you explain the situation in reality behind these transactions?**Error! Reference source not found.**

CounterPartyCode content equals InstrumentCode

The AFM concludes that a number of transactions are reported having the same content for the fields CounterPartyCode and InstrumentCode. Could you check whether this is correct? If yes, the AFM would like to receive a message why it is correct. If no, you are requested to adjust this.

Incorrect combination of VenueIdentificationCode and CounterPartyCode

See full description § 4.5.5

Guidance

The CounterPartyCode content can either be the:

- BIC of the CounterParty in the OTC-transaction;
- client-id in a Principal reported transaction;
- same as the VenueIdentificationCode when the transaction is directly executed on a market/ venue;
- BIC of the broker in case the transaction has been done via the broker.

See also the example described in § 4.4

4.5.7 ClientCode and Type

4.5.7.1 ClientCode

Description	to identify the clients on whose behalf the investment firm has executed that transaction
Standard	**ClientCode** / **Standard** / **ISO** Investment Firm / valid BIC (11 char.) / 9362 Non Investment Firm with a BIC code / valid BIC (11 char.) / 9362 Other / Internal code (40 char.) / -
Format	Depending on the standard above
Validation	Only valid BIC's are allowed. If the reporting firm executed the transaction as agent ('A'), we expect to see the field CounterPartyCode **and** the field ClientCode populated.
Related fields	ClientCodeType, CounterPartyCode, TradingCapacity

4.5.7.2 ClientCodeType

Description	The type of code used in the ClientCode
Standard	**ClientCode** / **ClientCodeType** BIC / B A firm internal reference code / I
Format	single alpha character; can only be 'B' or 'I'
Validation	Mandatory field. Must be one of the mentioned codes.
Related fields	ClientCode

Quality review issues for this field or combination of fields

ReportingFirmCode content equals ClientCode

See full description in §4.5.1

CounterPartyCode content equals ClientCode

See full description in § 4.5.6

Guidance

Both fields are not mandatory in the Netherlands yet. However the AFM recommends that this field be completed whenever possible.

4.5.8 InstrumentCode and Type

4.5.8.1 InstrumentCode

Description	- a unique code, to be decided by the competent authority (if any) to which the report is made identifying the financial instrument which is the subject of the transaction - if the financial instrument in question does not have a unique identification code, the report must include the name of the instrument or, in the case of a derivative contract, the characteristics of the contract
Standard	The field InstrumentCode should be populated by either an ISIN or an AII-code, depending on the exchange, on which the transaction was executed
Format	Maximum of 47 alphanumeric characters
Validation	The ISIN code must have the correct format (2 alpha-9 alphanumeric-1 digit) and the last digit (validation key) should be valid according to the algorithm of ISIN validation, unless field 4.5.8.2 is not empty
Related fields	InstrumentCodeType; SecurityType
Front error(s)	Instrument code cannot be empty; Invalid instrument code; The venue identification code is not consistent with the instrument code

For a more detailed description of the Alternative Instrument Identifier (AII) see paragraph 4.5.8.2.1.

4.5.8.2 InstrumentCodeType

Description	The code type used to report the instrument.
Standard	In case the instrument is identified using an ISIN, the field InstrumentCodeType is not used (remains empty). In case another InstrumentCodeType is used, it should be indicated as follows: CC: CEDEL and Euroclear Common Codes; CU: CUSIP; SE: SEDOL; TM: Temporary code (free template, to be used when no Instrument Identifier is available) SV: SICOVAM; TR: TRAX; AI: Alternative Instrument Identifier (AII-code as agreed between ESMA and FESE)
Format	<empty> or 2 alpha characters (see standard above)
Validation	xml-validation; TRS validates the combination of fields <VenueIdentificationCode> and <InstrumentCodeType>. Depending on the <VenueIdentificationCode>, on which the transaction was executed, the field <InstrumentCodeType> should be populated either <empty> for (ISIN) or <AI> (see text guidance for AII-markets). On these markets transactions should be reported using an AI. On all other markets transactions should be reported using an ISIN.
Related fields	InstrumentCode; SecurityType; VenueIdentificationCode
Front error(s)	The venue identification code is not consistent with the instrument code

4.5.8.2.1 Alternative Instrument Identifier (AII)

Description	Instrument Identifier for option and future exchanges which do not have ISIN codes for their instruments.
Standard	The AII will be composed of six elements: 1. VenueIdentificationCode: Four character MIC of the regulated market that admits the derivative to trading 2. ExchangeProductCode: this is a code maintained by the derivative exchanges and is freely and generally available to all parties. It is between one and 12 characters in length and is uniquely associated with a particular underlying instrument and settlement type and other characteristics of the contract 3. DerivativeType: This is a single character field identifying whether the instrument is an option (O) or a future (F) 4. PutCallIndicator: This is a single character field identifying whether the option (if it is an option) is a put (P)or a call (C). F in case of a future 5. MaturityDate: Exercise date/ maturity date of a derivative contract 6. StrikePrice: The strike price of an option or other financial instrument. In case of a future the strike should contain the value '0'
Format	See table below
Validation	The format (combination of the 6 fields) will be validated and field 5. MaturityDate will be validated against the TradingDate; TRS validates the combination of fields <VenueIdentificationCode> and <InstrumentCodeType>. Depending on the <VenueIdentificationCode>, on which the transaction was executed, the field <InstrumentCodeType> should be populated either <empty> for (ISIN) or <AI> (see text guidance for AII-markets). On these markets transactions should be reported using an AI. On all other markets transactions should be reported using an ISIN.
Related fields	TradingDate; InstrumentCode; VenueIdentifiactionCode
Front error(s)	Error in Alternative instrument code; Error in Alternative instrument code: Invalid strike price; Error in Alternative instrument code: Invalid exchange code; Error in Alternative instrument code: Invalid exchange product code; The venue identification code is not consistent with the instrument code.

Element	Format	Valid content
1. VenueIdentificationCode	4 alphanumeric characters	MIC
2. ExchangeProductCode	1-12 alphanumeric characters	
3. DerivativeType	1 character	'O' (Option) –'F' (Futures)
4. PutCallIndicator	1 character	'P' (Put) –'C' (Call) –'F' (Futures)
5. MaturityDate	YYYY-MM-DD	ISO 8601
6. StrikePrice	up to 19 characters including up to five decimals with a point as the decimal separator and without any leading or trailing zeros	The strike price would be '0' (zero) in case of a future.

Examples of AII-codes

Name	ProductCode	Product	MaturityDate	StrikePrice	AII-code
Aalberts industries	AAI	Put Option	19-sep-08	16	XEUEAAIOP2008-09-1916
Aegon	AGN	Call option	18-apr-08	8,8	XEUEAGNOC2008-04-188.8
Future AEX-index	FTI	Future	19-sep-08	0	XEUEFTIFF2008-09-190

Quality review issues for this field or combination of fields

Incorrect InstrumentCodeType

All financial instruments admitted to trading on a regulated market have an ISIN or an AII-code. The reports contain transactions for which the InstrumentCode has been populated by another InstrumentCodeType, like CUSIP or SEDOL. In case an ISIN or AII-code is available for these instruments, you are obliged to report this ISIN or AII-code. In case these codes are not available, it is most likely that you do not have to report trades in this instrument.

Incorrect Alternative Instrument Identifier (AII)

The AFM found a number of AII-codes containing a wrong combination of the VenueIdentificationCode, ExchangeProductCode, DerivativeType, PutCallIndicator, MaturityDate and StrikePrice. The remark column in the "Incorrect AII" sheet contains a more detailed description of the issue.

Incorrect combination of InstrumentCode and SecurityType

In the attachment you will find InstrumentCodes along with the CFI-code you reported and the CFI-code we think is more correct (CFI-codes are reported in the field SecurityType)

Content of CounterPartyCode equals InstrumentCode

See full description § 4.5.6.

~~**Incorrect combination of VenueIdentificationCode and InstrumentCodeType**~~

<This review issue is automated in TRS per 1st of December 2010 and generates a front error>

Guidance

On most markets, transactions should be reported using an ISIN. However transactions should be reported using an AII-code on the following AII-markets (also when there is an ISIN available):

XMAT	EURONEXT PARIS MATIF
XPOW	POWERNEXT
XEUR	EUREX DEUTSCHLAND
XADE	ATHENS EXCHANGE S.A. DERIVATIVES MARKET
XBRD	EURONEXT - EURONEXT BRUSSELS - DERIVATIVES
BMFM	DERIVATIVES REGULATED MARKET - BMFMS
NDEX	ICE ENDEX DERIVATIVES B.V.
XEUC	EURONEXT COM, COMMODITIES FUTURES AND OPTIONS
XEUI	EURONEXT IRF, INTEREST RATE FUTURE AND OPTIONS
IFLL	ICE FUTURES EUROPE - FINANCIAL PRODUCTS DIVISION
IFLO	ICE FUTURES EUROPE - EQUITY PRODUCTS DIVISION
MFOX	EURONEXT - MERCADO DE FUTUROS E OPÇÕES
XEUE	EURONEXT EQF, EQUITIES AND INDICES DERIVATIVES
XMON	EURONEXT PARIS MONEP
TOMD	TOM MTF DERIVATIVES MARKET

Look for updates about these markets on the ESMA-website:

https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_mifid_rma

4.5.9 SecurityType

Description	The harmonised classification of the financial instrument that is the subject of a transaction. The description must at least indicate whether the instrument belongs to one of the top level categories as provide by a uniform internationally accepted standard for financial instrument classification.
Standard	The full ISO 10962 CFI code
Format	Six alpha characters. The following minimum CFI codes need to be used: Equity: EXXXXX Debt Instrument: DXXXXX Entitlements (Rights, not being Warrants): RXXXXX Warrants: RWXXXX Options: OCXXXX (call) and OPXXXX (put) Futures: FXXXXX Others: MXXXXX Where more information is available, populate the CFI attributes accordingly.
Validation	Mandatory field: correct format
Related fields	InstrumentCode; InstrumentCodeType
Front error(s)	Security type cannot be empty; Invalid security type

Quality review issues for this field or combination of fields

Incorrect SecurityType (CFI-code)

The reported CFI-codes have been compared to the ISO 10962 Classification for Financial Instruments (CFI). The AFM notes that a number of reported CFI-codes do not satisfy the mentioned classification (CFI-codes are reported using the field SecurityType).

Incorrect population of SecurityType: 'D'

The following fields need to be populated as described in case of a debt instrument/ bond:

UnitPrice: amount should contain the price expressed as a percentage. (Example bond of 1,000,000, which is sold for 980,000, populate with 98 (%).) Notation should contain the string 'XXX'.

Quantity: value should contain the notional (zero not allowed) and Notation should contain the currency of the notional.

MaturityDate: subfield of Instrument and not the subfield of Derivative should contain the maturity date of the instrument or '9999-12-31' in case of a perpetual or a defaulted debt instrument.
Derivative and all its subfields are not included (this field is only added in case an instrument is based on an underlying instrument).

XML-example:

```
<Instrument Code="XS0171115073" SecurityType="DBXXXX" MaturityDate="9999-12-31">
 <TradeLeg ReferenceNumber="TEST10-30016-1017" TradingDay="2007-04-20" BuySellIndicator="B" TradingCapacity="A">
 <TradingTime TradingTimeUTC="16:53:00" TimeIdentifier="+02" />
 <UnitPrice Amount="102.4" Notation="XXX" />
 <Quantity Value="250000" Notation="EUR" />
 <CounterParty Code="XAMS" CodeType="M" />
 <VenueIdentification Code="XAMS" CodeType="M" />
 <ClientCode Code="NEKI129" CodeType="I" />
 </TradeLeg>
</Instrument>
```

>>>

Be aware that some French debt instruments do have prices in Euro's and in this case the UnitPriceNotation field and not the QuantityNotation field should be populated with the currency code. Despite our utmost care, these instruments might be part of the example transactions.

Incorrect combination of VenueIdentificationCode and SecurityType

See full description § 4.5.5

Incorrect combination of InstrumentCode and SecurityType

See full description § 4.5.8

Guidance

Not applicable (yet)

4.5.10 Quantity

Description	The number of units of the financial instruments, the nominal value of bonds (price in percentage), or the number of derivative contracts included in the transaction
Standard	-
Format	A numeric field, up to 19 characters, with the possibility of decimal (.) representation of maximum 5 digits
Validation	This field has to contain a positive (whole) number or zero (Non-negative integer 15 digits)
Related fields	QuantityNotation; UnitPrice; PriceNotation
Front error(s)	Invalid quantity

Quality review issues for this field or combination of fields

Not applicable (yet)

Guidance

Not applicable (yet)

4.5.11 QuantityNotation

Description	An indication as to whether the quantity is the number of units of financial instruments, the nominal value of bonds or the number of derivative contracts
Standard	This field is normally not required as quantity for equities and most other products will always be the number of units transacted. In case the price is expressed as a percentage, this field should contain the currency code of the nominal value. ISO 4217 Currency Code
Format	three alpha characters or <XXX> when not required
Validation	A numeric field, up to 19 characters, with the possibility of decimal (.) representation of maximum 5 digits. European regulators have decided to add all pre-Euro currencies to the ISO 4217 currency code list for debt instruments. Investment firms will no longer receive an error when a valid currency code is reported when using pre euro currency's **only in debt instrument** transactions. Using a pre-Euro currency on other than debt instruments will give an error
Related fields	Quantity; UnitPrice; PriceNotation
Front error(s)	Invalid quantity notation; The classification of the instrument is not consistent with the currency code

Quality review issues for this field or combination of fields

Not applicable (yet)

Guidance

Not applicable (yet)

4.5.12 UnitPrice

Description	The price per security or derivative contract excluding commission and, (where relevant) accrued interest. In the case of a debt instrument, the price may be expressed in terms of currency or as a percentage
Standard	Expressing a price (unit price or percentage price for bonds)
Format	A numeric field, up to 19 characters, with the possibility of decimal (.) representation of maximum 5 digits
Validation	Mandatory field. The classification of the instrument is not consistent with the currency code
Related fields	Quantity; QuantityNotation; PriceNotation
Front error(s)	Invalid unit price

Quality review issues for this field or combination of fields

Price out of range

The transaction has been reported with a UnitPrice, which is more than 25 % outside the price range of the instrument on that TradingDate.

Guidance

In case of a debt instrument the clean price (without accrued interest) should be used.

4.5.13 PriceNotation

Description	The currency in which the price is expressed.
Standard	ISO 4217 currency code (the major currency should be used rather than cents or pence)
Format	three alpha characters or 'XXX' in case the price is expressed as a percentage
Validation	Existing ISO 4217 currency code. Ensure that debt prices are all expressed as a percentage of nominal value and that the price of derivative contracts is shown as a currency value for the contract rather than a tick value
Related fields	Quantity; QuantityNotation; UnitPrice
Front error(s)	Invalid price notation (most of the times an old currency is used. We advise to calculate this into EUR and resend the transaction).

Quality review issues for this field or combination of fields

Not applicable (yet)

Guidance

In case a financial instrument is prices with a pre-Euro currency: to report this instrument according to the ISO 4217 calculate the UnitPrice of the instrument into EUR (2.20371)

4.5.14 SubmittingFirmCode

Description	A unique code to identify the investment firm which sends the transaction reports on behalf of the reporting firm code
Standard	The SWIFT/ Bank Identifier Code (BIC) ISO 9362 must be used
Format	Eleven alphanumeric characters
Validation	A valid eleven alphanumeric character BIC must be present in the submitting field identification.
Related fields	ReportingFirmCode
Front error(s)	Invalid submitting firm code: Either this field contains no BIC, inactive BIC, invalid BICcountry, or has an invalid length (8 instead of 11 char.)

4.5.15 TransactionReferenceNumber

Description	A unique identification number for the transaction provided by the investment firm or a third party reporting on its behalf
Standard	An unique transaction reference number for each transaction reported by a particular firm on any particular day (unless it is a cancellation report, in which case it should contain the exact same TransactionReferenceNumber of the transaction report it is cancelling)
Format	Free; an alphanumeric field up to 40 characters
Validation	The transaction reference numbers within each batch submission are validated against each-other to ensure that they are unique
Related fields	CancellationFlag
Front error(s)	Transaction reference number is in use

Quality review issues for this field or combination of fields

Not applicable (yet)

Guidance

Investment firms should be able to trace the original transaction back in their systems based on the TransactionReferenceNumber used.

4.5.16 CancellationFlag

Description	An indication as to whether the transaction was cancelled
Standard	A field denoting whether the transaction report is a cancellation: ‘C’: cancellation by a firm
Format	A single character: ‘C’ or <empty>
Validation	Field should be left blank or contain the character ‘C’. To cancel a transaction in TRS it is important to use the identical TransactionReferenceNumber and add the cancellation flag. Cancellations are only accepted with a history of two months.
Related fields	TransactionReferenceNumber
Front error(s)	Transaction to be cancelled is not found (either the TransactionReferenceNumber has not been recognized or the transaction cancelled is older than 2 months); Transaction is already cancelled

Quality review issues for this field or combination of fields

Not applicable (yet)

Guidance

Only transactions in TRS should be cancelled if the cancellation relates to fields that are reported in TRS. Please do not cancel transactions and send a new transactions to TRS if only internal administrative information (provision for clients, settlement instructions, etc.) have been changed (see also 4.3.2 point 5).

4.5.17 Instrument Reference Data Fields

Starting December 1th 2010 TRS will no longer give error messages relating to the fields described in the next paragraphs for transactions for which the InstrumentCode(Type) is either an ISIN or AI. The reason is that we have reliable instrument reference data source, so we no longer need this information from investment firms. There are no quality aspects or guidance applicable for these fields. For all other InstrumentCodeTypes (see paragraph 4.5.8.2) TRS still validates these fields and gives front errors when necessary. When the SecurityType starts with a 'D', 'R' or an 'O' TRS validates the use of the fields below

4.5.17.1 MaturityDate

Description	The maturity date of a bond or other form of securitised debt, or the exercise date/ maturity date of a derivative contract
Standard	The extended ISO 8601 Date Format standard YYYY-MM-DD ! Note ! that the xml has a bond maturity date that is meant for debts (SecurityType – CFI-code starts with a D and a derivative maturity date that is meant for derivatives (SecurityType – CFI-code starts with an 'O' or 'RW'). This field represents one of the following: · the delivery date of a futures contract; · the expiry date of an option; or · the maturity or redemption date of a bond. For a bond derivative, it is the delivery or expiry date. In case there is no clear end date like for perpetuals and defaulted debt instruments or the exercise date is not set, the maturity date has to be set at '9999-12-31'. The maximum possible maturity date.
Format	YYYY-MM-DD
Validation	It must be the correct date format and the date should be greater than or equal to the trade date.
Related fields	SecurityType
Front error(s)	Derivative maturity date must be later than the trading date; Maturity date cannot be empty; Maturity date should be empty for derivates; Maturity date must be later than the trading date

4.5.17.2 DerivativeType

Description	The harmonised description of the derivative type should be done according to one of the top level categories as provided by a uniform internationally accepted standard for financial instrument classification
Standard	This field indicates the derivative type
Format	A single alpha character field with the following possible values: 'O' Option; 'F' Future; 'D' Contract for Difference; 'S' Swap; 'W' Warrant; 'X' Spreadbet
Validation	Must be one of the mentioned codes or <empty>
Related fields	SecurityType

4.5.17.3 PutCallIndicator

Description	Specification of whether an option or any other financial instrument is a put or a call
Standard	-
Format	A single alpha character field with the following possible values: 'C' for call; 'P' for put; 'X' for other
Validation	Must be one of the mentioned codes or empty
Related fields	SecurityType

4.5.17.4 PriceMultiplier

Description	The number of units of the financial instrument in question which are contained in a single trading lot; for example, the number of derivatives or securities represented by one contract. The CFI code suggests that there are warrants that are neither calls nor puts
Standard	The unit price of the trade in the currency in which the trade was dealt (as indicated by the PriceNotation). For bonds, it must be percentage price
Format	A numeric field, up to 19 characters, with the possibility of decimal representation should be used. 12 integers.6 decimals
Validation	
Related fields	SecurityType
Front errors	Invalid price multiplier

4.5.17.5 StrikePrice

Description	The strike price of an option or other financial instrument
Standard	The strike price must be expressed in the major currency (e.g. Euros rather than cents). This field is only required for options and warrants
Format	A numeric field, up to 19 characters, with the possibility of decimal representation should be used. 12 integers.6 decimals
Validation	Format validation:
Related fields	SecurityType
Front error (s)	Strike price cannot be empty

4.5.17.6 UnderlyingInstrumentCode

Description	The instrument identification applicable to the security that is the underlying asset in a derivative contract as well as the transferable security falling within Article 4(1)(18)9c) of Directive 2004/39/EC
Standard	Only the ISIN may be used as the instrument identifier. When the instrument being reported does not have an ISIN assigned can a different code be used.
Format	Either ISIN (2 alpha – 9 alphanumeric – 1 digit) or see 4.5.8.2 when there is no ISIN
Validation	The ISIN must have the correct format and the last digit (validation key) should be valid according to the algorithm of ISIN validation, unless field 0 is not empty
Related fields	SecurityType, UnderlyingInstrumentCodeType
Front error(s)	Underlying instrument code cannot be empty* see appendix D on page 72 (TM-code) how to solve this error; Invalid underlying instrument code

4.5.17.7 UnderlyingInstrumentCodeType

The content is the same described in § 4.5.8.2

5 Links

Regulation

ESMA

- ✓ http://www.esma.europa.eu/

Shares admitted to trading

- ✓ http://mifiddatabase.esma.europa.eu/

Regulation implementing Directive 2004/39/EC

- ✓ http://www.esma.europa.eu/index.php?docid=3912

Guidelines - ESMA Level 3 Guidelines on MiFID transaction reporting

- ✓ http://www.esma.europa.eu/index.php?docid=4610

Directive 2004/39/EC of the European Parliament and of the Council

- ✓ http://www.esma.europa.eu/index.php?docid=2117

Act on Financial Supervision

- ✓ http://www.minfin.nl/dsresource?objectid=76287&type=org

Handbook Transaction Reporting

- ✓ http://www.afm.nl/handbookTRS

TRS

Test environment

- ✓ https://trstest.afm.nl/

Production environment

- ✓ https://trs.afm.nl/

XSD-schemes

- ✓ https://trs.afm.nl/XSD

Where to find more information on reference codes and ISO standards

The SWIFT/ Bank Identifier Code (BIC) ISO 9362

- ✓ http://www.swift.com/biconline/index.cfm?fuseaction=display_aboutbic

Standard ISO 8601 Date Format standard

- ✓ http://www.iso.org/iso/en/prods-services/popstds/datesandtime.html

Standard ISO 8601 Time

- ✓ http://www.iso.org/iso/en/prods-services/popstds/datesandtime.html

Standard ISIN ISO 6166

- ✓ http://www.anna-web.com/index.php/home/isinsaiso6166

Standard ISO 10962 CFI code

- ✓ http://www.anna-web.com/index.php/home/cfiaiso10962

Standard ISO 4217 currency codes

- ✓ http://www.iso.org/iso/en/prods-services/popstds/currencycodeslist.html

Standard SWIFT MIC ISO 10383

- ✓ http://www.iso15022.org/MIC/homepageMIC.htm

Standard ISO 3166-1 country codes

- ✓ http://www.iso.org/iso/en/prods-services/iso3166ma/02iso-3166-code-lists/index.html

XML information

- ✓ http://www.w3.org/XML/Schema

6 List with abbreviations

AFM	Netherlands Authority for the Financial markets
AFS	Act on Financial Supervision
AII	Alternative Instrument Identifier
BIC	Bank Identifier Code
~~ESMA~~	~~Commission of European Securities Regulators~~
EEA	European Economic Area
ESMA	European Security and Market Authority (former ESMA)
FESE	Federation of European Stock Exchanges
ISIN	International Security Identification Number
MIC	Market Identifier Code
MTF	Multilateral Trading Facility
OTC	Over-The-Counter
RM	Regulated Market
RTO	Receiving and Transmitting Orders (activity)
SI	Systematic Internaliser
SWIFT	Society for Worldwide Interbank Financial Communication
TRS	Transaction Reporting System

Appendix A Application form TRS

PLEASE SIGN AND RETURN TO: *The Netherlands Authority for the Financial Markets*
Attn: EKM, TRS Supervision
Vijzelgracht 50, P.O. Box 11723
1001 GS Amsterdam
The Netherlands

User statement regarding Transaction Reporting System (TRS)

The Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, **AFM**) is an autonomous administrative authority within the meaning of Section 1:1(b) of the General Administrative Law Act (*Algemene wet bestuursrecht*). The AFM has been designated as the supervisory authority for the financial markets in the Netherlands.

The AFM ordered the development of TRS. This system offers any party that is supervised by the AFM in any way (hereinafter to be referred to as the **User**) the opportunity to communicate confidential information to the AFM online, in a secure manner via an extranet environment, so as to fulfil its statutory obligations under the MiFID.

By signing this user statement, the User declares that it will use TRS in accordance with this user statement and the AFM's instructions, and hereinafter designates a person as the manager of TRS (**TRS manager**):

FOR APPROVAL:
Name of User according to the articles of association:
Address according to the articles of association:
Name of representative:

Signature:
Position:
Date:

Details of TRS manager	Details of Deputy
Name:	Name:
Position:	Position:
Tel. (office):	Tel. (office):
Tel. (mobile):	Tel. (mobile):
E-mail:	E-mail:

Reporting via: ☐ Manual data entry
☐ Web Upload (HTTPS)
☐ SFTP

If SFTP is requested :
IP address Production :
IP address Acceptance[15] :

Enclosed: 2
- copy of identity document of applicant, being a director/authorised representative;
- extract from the Chamber of Commerce for applicant company.

[15] *This address is used during the certification procedure.*

1. Access to TRS

1. The AFM will only consider signed and fully completed user statements, accompanied by a copy of a valid identity document and an extract from the Chamber of Commerce.
2. In order to gain access to the production environment, the investment firm should first go through a certification procedure. This procedure depends on the reporting method chosen.

2. Accounts

1. The extent of the User's right of use has been specified in the appendix to this user statement. In the event of changes, the AFM will replace this appendix by a new appendix, which the AFM will also provide to the User.
2. The AFM will decide which TRS services will be available to the User. These services depend on the desired reporting method and the certification obtained. To this end, the AFM will assign one main account to each User. The front sheet of this user statement shows which natural person (the TRS manager) is responsible at the User for the main account, as well as his or her deputy, where applicable. The User should immediately notify the AFM in writing of any change in the details of the (deputy) TRS manager. Until the User has expressly informed the AFM in writing of the contrary, the specified (deputy) TRS manager will be authorised to represent the User in the execution of this user statement.
3. As part of the main account, the User may create new sub-accounts for other natural persons, choosing from the services assigned to the User in the context of the main account.

3. Use of the accounts, access code(s) and passwords

1. The AFM will be entitled at all times to change, suspend or terminate a main account and its sub-accounts. The AFM will inform the User accordingly.
2. The User will be fully responsible for the manner in which its account(s), the access code(s) and passwords are used and managed by or on behalf of the User. The User will maintain complete secrecy in respect of the passwords and see to it that these are not used by unauthorised parties or for other purposes. In addition, the User will exercise due care in the use of access codes.
3. The user will (i) always follow all the AFM's reasonable instructions; (ii) not disrupt the normal operation or integrity of TRS; (iii) not make any changes to the information contained in the system, insofar as these do not concern the regular transaction reporting, or restrict or otherwise influence the access to the system; (iv) prevent inconvenience to other users of the service; and (v) ensure that any information which it communicates via the system does not breach third-party rights or contain viruses or worms.
4. The AFM reserves the right to trace any action in TRS, such as logging in, reading, downloading, uploading and submitting electronic forms, back to the access code with which the User logs in.
5. The User will inform anyone using TRS for or on behalf of the User, including its employees, staff members and third parties engaged by or on behalf of the User, about the provisions of this user statement and the instructions issued by the AFM in the context of this statement, and oblige them to observe these provisions and instructions.
6. As soon as the User knows or suspects that TRS is not used in conformity with this user statement or applicable law, or that an access code or password is or may be known to an unauthorised party, it will report this to the help desk immediately.

4. Data exchange

1. The exchange of data flows via TRS is governed by the Act on Online Administrative Business (*Wet elektronisch bestuurlijk verkeer*). The AFM will ensure to the best of its abilities that the data exchange via TRS takes place in a sufficiently reliable and confidential manner, given the nature and content of the data exchange and its objective.
2. The AFM will only accept electronic transaction disclosures via the TRS system. Transaction disclosures made otherwise than via TRS will not be allowed.
3. The AFM will always as soon as possible confirm receipt of the electronic data exchange via the system. A confirmation of receipt cannot be construed as an acknowledgement of the lawfulness of the data exchange. If

the User does not receive a confirmation of receipt from the AFM, the relevant electronic message will be deemed not to have been received by the AFM, and the User itself will have to examine in what manner it can still fulfil its (statutory) obligations.

5. Technical facilities

1. The User itself will provide – at its own expense and risk – the necessary technical facilities, such as hardware and software, which are required in order to use TRS. This hardware and software should not contain any security devices or other features or elements that are atypical, such as logic bombs, viruses and worms.

6. Audit

1. At regular intervals, the AFM may carry out an EDP audit or have such an audit carried out into the operation of TRS. If the AFM expects that an EDP audit will seriously hamper the User in the access to and operation of the system, the AFM will notify the User of this within a reasonable period prior to the EDP audit, so as to give the User the opportunity to communicate with the AFM in a different manner.
2. If the AFM performs an EDP audit into the operation of TRS, the User will lend its full cooperation in this respect.

7. Intellectual property rights

1. All intellectual property rights – including but not limited to the copyright, patent right, database right and trademark right – with regard to TRS, any domain linked to it, software and the contents placed thereon by or on behalf of the AFM, will be vested in the AFM or its licensors.
2. The User will use TRS, any domain linked to it, software and the contents placed thereon by or on behalf of the AFM, only for the purposes specified in this user statement, on a non-exclusive basis.
3. All intellectual property rights – including but not restricted to the copyright, patent right, database right and trademark right – with regard to any information exchanged by or on behalf of the User will be vested in the User. The AFM will use this information only for the purposes specified in this user statement.
4. This user statement cannot be construed as a transfer of any intellectual property right.

8. Maintenance and management of the TRS system

1. If TRS should be (partly) unavailable because of a failure in technical facilities for which the AFM is responsible, the AFM will try to the best of its abilities to remedy the problems or have them remedied within a reasonable period.
2. If the User establishes any interruption or defect of TRS, the User will notify the AFM of this, via the help desk, as soon as possible.
3. The AFM may temporarily disable TRS or have TRS disabled, either wholly or in part, without prior notice if it considers this to be necessary, for example in connection with a modification to be made or because of other maintenance and management activities. Where reasonably possible, the AFM will try to notify the User in advance of the times and duration of the suspension, but only insofar as the suspension will have significant consequences for the User. The AFM accepts no liability for the adverse consequences which this (temporary) disablement may entail for the User.

9. Guarantee

1. The AFM takes the greatest care in trying to make and keep TRS available. However, the AFM cannot guarantee that the system, its contents and related services will always be available in full and without interruption.
2. The data exchange as such does not offer any guarantees that the User has thereby effectively fulfilled its statutory obligations, or that the AFM considers the data (exchange) to be lawful. In other words: with due observance of Article 4.3 of this user statement, a successful data exchange does not mean an acknowledgement on the part of the AFM that the User has thereby automatically fulfilled all its (statutory)

obligations. The User will always remain independently responsible for the discharge of its (statutory) obligations and will have to verify this of its own accord.

10. Liability

1. The AFM will ensure to the best of its abilities that the data exchange via TRS takes place in a sufficiently reliable manner. Although the system is managed with the greatest possible care, the AFM cannot give any guarantees that the system will always be available or that data will always reach the AFM in undamaged condition. When data are exchanged, there may be errors in the data exchange, such as mismatches or partial matches of the data. The AFM excludes any liability for the use of the system.
2. The AFM will handle the data which the User submits via the system with the greatest possible care. If it is clear to the AFM that the data transferred is damaged, the AFM will inform the User of this where possible.
3. The AFM will not be liable either for the information on third-party websites that are linked to TRS.
4. The limitations of liability as included in this user statement will be null and void if the liability for damage results from intent or wilful recklessness on the part of the AFM.

11. Confidentiality and security

1. With regard to the data received via TRS, the AFM will be bound by the confidentiality provisions as laid down in the legislation relevant to the AFM.
2. The AFM will take appropriate measures to the best of its ability to protect TRS and the information exchanged through it against loss or any form of unlawful use.

12. Data protection

1. The AFM and the User guarantee that all statutory regulations on the processing of personal data, including the regulations provided by or pursuant to the Personal Data Protection Act (*Wet Bescherming Persoonsgegevens*), will be strictly observed. The AFM and the User will provide each other immediately any all information requested in this context.
2. The User will indemnify the AFM against any third-party claims that may be brought against the AFM because of a breach not imputable to the AFM of the Personal Data Protection Act and/or other legislation on the processing and/or retention of personal data.

13. Duration of right of use

1. The right of use will take effect on the date when the AFM accepts the user statement. The use of right will continue until it ends in accordance with the provisions of this user statement.
2. The User may terminate the right of use at any moment and will inform the AFM accordingly in writing.
3. If the User acts contrary to this user statement and/or applicable law, the AFM will be free to take those steps which it considers appropriate within reason, such as issuing a warning, denying access to TRS (either wholly or in part), cancelling the account or information which the User communicated via the system, and/or suspending or terminating the right of use (either wholly or in part) with immediate effect.
4. Termination of the right of use will not release the AFM and the User from the obligations which, by their nature, remain in force. Among other things, these include obligations regarding liability, intellectual property, confidentiality, applicable law and competent court.

14. Disputes and competent court

1. This user statement will be governed by Dutch law.
2. Any civil dispute arising from or in connection with this user statement will be submitted exclusively to the competent court of Amsterdam.

15. Force majeure

1. Neither the AFM nor the User will be obliged to fulfil any obligation if it is prevented from doing so by force majeure.
2. Force majeure on the part of the AFM will also include the defective operation of the mains voltage, telecommunication or network facilities, as well as non-imputable shortcomings on the part of third parties engaged by the AFM.

16. Other provisions

1. The AFM may amend or supplement this user statement and its appendix may by means of a written notification.
2. The applicability of any purchase conditions, supply conditions or other general terms and conditions of the User is expressly dismissed.
3. The User will be unable to transfer the rights and obligations arising from this user statement to third parties without the AFM's written consent.

Certification checklist

Investment firm:

The user should have created the following matters:

- ☐ User 'Admin1', with only Admin rights.
- ☐ User 'Super1', with both Admin and User rights.User 'User1', with only User rights.
- ☐ Department 'Department1', with the boxes for all report types ticked and with User1 and Super1 linked to the department.
- ☐ One transaction has been created and submitted (only for manual keying).
- ☐ A transaction file created by the company has been sent to the system via web upload (HTTPS) and has been accepted by the system (only for web upload).
- ☐ A transaction file created by the company has been sent to the system via SFTP and has been accepted by the system (only for SFTP).

Appendix B Certification Manual

Before investment firms are admitted to the production environment of TRS, they must first demonstrate sufficiently that they can operate the application correctly and satisfactorily. The investment firm must enter executed transactions in TRS correctly in order to be certified for the production environment. The transaction reports the investment firm has to execute depend on the reporting methods it has applied for.

	Manual entry	Web upload	SFTP
a) User management	X	X	X
b) Manual entry	X	X	X
c) Web upload		X	(X)
d) SFTP			X

Table 3 Actions to make/ practise by the investment firm in the TRS test environment depending on the reporting method requested

a) User management

Since each investment firm will have to operate its own user management and department management, this order should be made by each investment firm.

► Create department

A department has to be created with the name 'Department1'. For this department, the following reporting types have to be created:

		Requested reporting method(s)		
		Manual entry	Web Upload	SFTP
Reporting types to be created	Manual entry	X	X	X
	Web Upload		X	(X)
	SFTP			X

Table 4 Create 'Department1' with the following reporting types depending on the application

Please note that the BIC to be entered for the reporting and submitting firm should correspond to the BIC's contained in a transaction reporting file, if applicable.

► Create users

The following users have to be created:

• User Admin1, who has only Administrator rights.

• User Super1, who has both Administrator and User rights.

• User User1, who has only User rights.

All users must be linked to the already created 'Department1'.

b) Manual entry

Manual entry is in principle intended for those firms that have requested this. However, firms that report using SFTP and/or web upload can also use this option on an occasional basis, for instance to manually correct a previously reported transaction.

► Enter transactions

Enter the following two transactions:

• Buy 1000 shares Exact Holding (ISIN : NL0000350361) on Euronext (MIC : XAMS) at EUR 28.87, you are acting as agent, Euronext is also the counterparty and the Client is 1234567890 (Internal code).
• Buy 100 Warrants ABN NV – CW50 AirFrance-KLM (ISIN Warrant : NL0000697290) over the counter (OTC MIC : XOFF) at EUR 10.21, you are acting as principal and the counterparty is 1234567890 (Internal code). Data for the Warrant: ISIN Air France - KLM (underlying): FR0000031122; Call; strike price = EUR 24.80; maturity date is 29-08-2050; price multiplier is 1.
• Enter a transaction which you in reality might have to report.

► Send
Send the current report.

c) Web upload

This assignment should only be made by firms that have requested web upload. The creation of a transaction reporting file is part of this assignment. If the firm also wants to report via SFTP then section d) is also applicable. Note that the same transaction file cannot be used for both assignments.

► Create file
The firm must create a transaction reporting file. This file must meet the functional and technical specifications set by the AFM. Use transactions that are representative for the firm's business.

► File upload
The correctly named transaction file must be sent using the web application.

► Check upload
The firm must check that the upload has been completed successfully. Successful means that the report has been validated and that it contains no errors (warning messages are however permitted, but should be looked at). If the upload contains errors, the assignment must be recreated from the beginning, until there are no longer any errors in the file.

d) SFTP

This assignment should only be made by firms that have requested SFTP. The creation of a transaction reporting file is part of this assignment. If the firm also wants to report via web upload also use section c), the same transaction file cannot be used for both assignments (c) en d)).

► Create file
The firm must itself create a transaction reporting file. This file must meet the functional and technical specifications set by the AFM. Use transactions that are representative for the firm's business.

► File upload
The correctly named transaction file must be sent using the web application.

► Check upload
The firm must check that the upload has been completed successfully. Successful means that the report has been validated and that it contains no errors. (Warning messages are however permitted). If the upload contains errors, the order must be recreated from the first step 'create file', until there are no longer any errors in the file.

Appendix C Technical specification (xsd-scheme)

```
<?xml version="1.0" encoding="utf-8" ?>
-<xs:schemaxmlns="http://www.afm.nl/1.0/afm-trs-so.xsd" xmlns:mstns="http://www.afm.nl/1.0/afm-trs-so.xsd"
xmlns:xs="http://www.w3.org/2001/XMLSchema"  targetNamespace="http://www.afm.nl/1.0/afm-trs-so.xsd"
elementFormDefault="qualified" id="So-Afm-Trs">

- <xs:complexType name="InstrumentIdentificationType">
- <xs:attribute name="Code" use="required">
- <xs:annotation>
 <xs:documentation>Functional field: (Underlying) Instrument Identification</xs:documentation>
 </xs:annotation>
 </xs:attribute>
- <xs:attribute name="CodeType" use="optional, when ISIN leave away">
- <xs:annotation>
 <xs:documentation>Functional field: (Underlying) Instrument Security Code Type</xs:documentation>
 </xs:annotation>
- <xs:simpleType>
- <xs:restriction base="xs:string">
 <xs:enumeration value="CC" />
 <xs:enumeration value="CU" />
 <xs:enumeration value="SE" />
 <xs:enumeration value="TM" />
 <xs:enumeration value="SV" />
 <xs:enumeration value="TR" />
 <xs:enumeration value="AI" />
 </xs:restriction>
 </xs:simpleType>
 </xs:attribute>
 </xs:complexType>
- <xs:complexType name="AmountType">
 <xs:attribute name="Amount" type="xs:decimal" use="required" />
 <xs:attribute name="Notation" type="xs:string" use="required" />
 </xs:complexType>
- <xs:complexType name="FirmType">
 <xs:attribute name="Code" type="xs:string" use="required" />
 </xs:complexType>
- <xs:element name="Report">
- <xs:complexType>
- <xs:sequence>
- <xs:element name="SubmittingFirm">
- <xs:complexType>
- <xs:complexContent>
 <xs:extension base="FirmType" />
 </xs:complexContent>
 </xs:complexType>
 </xs:element>
- <xs:element name="ReportingFirm">
- <xs:complexType>
```

```
- <xs:complexContent>
- <xs:extension base="FirmType">
- <xs:sequence>
- <xs:element name="Instrument" maxOccurs="unbounded">
- <xs:complexType>
- <xs:complexContent>
- <xs:extension base="InstrumentIdentificationType">
- <xs:sequence>
- <xs:element name="Derivative" minOccurs="0" maxOccurs="1">
- <xs:annotation>
 <xs:documentation>Need to be filled if the instrument is a derivative</xs:documentation>
 </xs:annotation>
- <xs:complexType>
- <xs:sequence>
- <xs:element name="UnderlyingInstrument">
- <xs:complexType>
- <xs:complexContent>
 <xs:extension base="InstrumentIdentificationType" />
 </xs:complexContent>
 </xs:complexType>
 </xs:element>
 </xs:sequence>
- <xs:attribute name="DerivativeType">
- <xs:simpleType>
- <xs:restriction base="xs:string">
 <xs:enumeration value="O" />
 <xs:enumeration value="F" />
 <xs:enumeration value="D" />
 <xs:enumeration value="S" />
 <xs:enumeration value="W" />
 <xs:enumeration value="X" />
 </xs:restriction>
 </xs:simpleType>
 </xs:attribute>
- <xs:attribute name="PutCallIndicator" use="optional">
- <xs:simpleType>
- <xs:restriction base="xs:string">
 <xs:enumeration value="P" />
 <xs:enumeration value="C" />
 <xs:enumeration value="X" />
 </xs:restriction>
 </xs:simpleType>
 </xs:attribute>
 <xs:attribute name="StrikePrice" type="xs:decimal" use="optional" />
- <xs:attribute name="MaturityDate" type="xs:date" use="optional">
- <xs:annotation>
 <xs:documentation>MaturityDate or ExerciseDate in case of a derivative</xs:documentation>
 </xs:annotation>
 </xs:attribute>
 <xs:attribute name="PriceMultiplier" type="xs:decimal" />
```

```
 </xs:complexType>
 </xs:element>
- <xs:element name="TradeLeg" maxOccurs="unbounded">
- <xs:complexType>
- <xs:sequence>
- <xs:element name="TradingTime">
- <xs:complexType>
 <xs:attribute name="TradingTimeUTC" type="xs:time" use="required" />
 <xs:attribute name="TimeIdentifier" type="xs:int" use="required" />
 </xs:complexType>
 </xs:element>
 <xs:element name="UnitPrice" type="AmountType" />
- <xs:element name="Quantity">
- <xs:complexType>
 <xs:attribute name="Value" type="xs:decimal" use="required" />
 <xs:attribute name="Notation" type="xs:string" />
 </xs:complexType>
 </xs:element>
- <xs:element name="CounterParty">
- <xs:complexType>
- <xs:complexContent>
- <xs:extension base="FirmType">
- <xs:attribute name="CodeType" use="required">
- <xs:simpleType>
- <xs:restriction base="xs:string">
 <xs:enumeration value="B" />
 <xs:enumeration value="I" />
 <xs:enumeration value="M" />
 </xs:restriction>
 </xs:simpleType>
 </xs:attribute>
 </xs:extension>
 </xs:complexContent>
 </xs:complexType>
 </xs:element>
- <xs:element name="VenueIdentification">
- <xs:complexType>
- <xs:complexContent>
- <xs:extension base="FirmType">
- <xs:attribute name="CodeType" use="required">
- <xs:simpleType>
- <xs:restriction base="xs:string">
 <xs:enumeration value="B" />
 <xs:enumeration value="M" />
 </xs:restriction>
 </xs:simpleType>
 </xs:attribute>
 </xs:extension>
 </xs:complexContent>
 </xs:complexType>
```

```
 </xs:element>
- <xs:element name="ClientCode" minOccurs="0">
- <xs:complexType>
- <xs:complexContent>
- <xs:extension base="FirmType">
- <xs:attribute name="CodeType" use="required">
- <xs:simpleType>
- <xs:restriction base="xs:string">
 <xs:enumeration value="B" />
 <xs:enumeration value="I" />
 </xs:restriction>
 </xs:simpleType>
 </xs:attribute>
 </xs:extension>
 </xs:complexContent>
 </xs:complexType>
 </xs:element>
 </xs:sequence>
 <xs:attribute name="ReferenceNumber" type="xs:string" use="required" />
 <xs:attribute name="TradingDay" type="xs:date" use="required" />
 <xs:attribute name="CancellationFlag" type="xs:string" />
- <xs:attribute name="BuySellIndicator" use="required">
- <xs:simpleType>
- <xs:restriction base="xs:string">
 <xs:enumeration value="S" />
 <xs:enumeration value="B" />
 </xs:restriction>
 </xs:simpleType>
 </xs:attribute>
- <xs:attribute name="TradingCapacity" use="required">
- <xs:simpleType>
- <xs:restriction base="xs:string">
 <xs:enumeration value="A" />
 <xs:enumeration value="P" />
 </xs:restriction>
 </xs:simpleType>
 </xs:attribute>
 </xs:complexType>
 </xs:element>
 </xs:sequence>
- <xs:attribute name="SecurityType" type="xs:string" use="required">
- <xs:annotation>
 <xs:documentation>Functional field: Instrument type, must be filled with CFI code</xs:documentation>
 </xs:annotation>
 </xs:attribute>
- <xs:attribute name="MaturityDate" type="xs:date">
- <xs:annotation>
 <xs:documentation>Need to be filled if the instrument is a bond</xs:documentation>
 </xs:annotation>
 </xs:attribute>
```

```
</xs:extension>
</xs:complexContent>
</xs:complexType>
</xs:element>
</xs:sequence>
</xs:extension>
</xs:complexContent>
</xs:complexType>
</xs:element>
</xs:sequence>
<xs:attribute name="DateTimeCreated" type="xs:dateTime" use="required" />
</xs:complexType>
</xs:element>
</xs:schema>
```

The next page shows the xsd-scheme of the result file firms receive after uploading transaction via SFTP:

```
<?xml version="1.0" encoding="utf-8" ?>
- <xs:schema id="afm-trs-result" targetNamespace="http://www.afm.nl/1.0/afm-trs-result.xsd"
elementFormDefault="qualified" xmlns="http://www.afm.nl/1.0/afm-trs-result.xsd"
xmlns:mstns="http://www.afm.nl/1.0/afm-trs-result.xsd" xmlns:xs="http://www.w3.org/2001/XMLSchema">
- <xs:element name="ResultReport">
- <xs:complexType>
- <xs:sequence>
- <xs:element name="ReportError" minOccurs="0" maxOccurs="unbounded">
- <xs:complexType>
- <xs:complexContent>
 <xs:extension base="ErrorMessage" />
 </xs:complexContent>
 </xs:complexType>
 </xs:element>
- <xs:element name="ErrorTransaction" minOccurs="0" maxOccurs="unbounded">
- <xs:complexType>
- <xs:sequence>
- <xs:element name="ValidationError" minOccurs="1" maxOccurs="unbounded">
- <xs:complexType>
- <xs:complexContent>
 <xs:extension base="ErrorMessage" />
 </xs:complexContent>
 </xs:complexType>
 </xs:element>
 </xs:sequence>
 <xs:attribute name="TransactionReferenceNumber" type="xs:string" />
 </xs:complexType>
 </xs:element>
 </xs:sequence>
 <xs:attribute name="ReportId" type="xs:string" use="required" />
 <xs:attribute name="NumberOfTransactions" type="xs:int" use="required" />
 <xs:attribute name="NumberOfErrors" type="xs:int" use="required" />
 <xs:attribute name="NumberOfWarnings" type="xs:int" use="required" />
 </xs:complexType>
 </xs:element>
- <xs:complexType name="ErrorMessage">
 <xs:attribute name="MessageKey" type="xs:string" />
 <xs:attribute name="Message" type="xs:string" />
- <xs:attribute name="Severity">
- <xs:simpleType>
- <xs:restriction base="xs:string">
 <xs:enumeration value="E" />
 <xs:enumeration value="W" />
 </xs:restriction>
 </xs:simpleType>
 </xs:attribute>
 </xs:complexType>
 </xs:schema>
```

Appendix D Examples of xml transactions

Appendix D gives some examples of how a xml transaction might look like in case of reporting an equity, bond, derivative (with AII-code and cancellation), warrant and an TM solution.

<?xml version="1.0" encoding="UTF-8" ?>
-<Report DateTimeCreated="2008-04-07T23:35:36+02:00" xsi:schemaLocation="http://www.afm.nl/1.0/afm-trs-so.xsd afm-trs-so.xsd" xmlns=http://www.afm.nl/1.0/afm-trs-so.xsd xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance">
<SubmittingFirm Code="VALIDBICXXX" />
- <ReportingFirm Code="VALIDBICXXX">

Equity

- <Instrument Code="NL0000350361" SecurityType="ESVUFB">
- <TradeLeg ReferenceNumber="20080407-30023-1029-A" TradingDay="2008-04-07" BuySellIndicator="B" TradingCapacity="A">
<TradingTime TradingTimeUTC="09:50:00" TimeIdentifier="+02" />
<UnitPrice Amount="25" Notation="EUR" />
<Quantity Value="800" />
<CounterParty Code="XAMS" CodeType="M" />
<VenueIdentification Code="XAMS" CodeType="M" />
<ClientCode Code="AFM10024" CodeType="I" />
</TradeLeg>
- <TradeLeg ReferenceNumber="20080407-30023-1029-B" TradingDay="2008-04-07" BuySellIndicator="B" TradingCapacity="A">
<TradingTime TradingTimeUTC="09:55:00" TimeIdentifier="+02" />
<UnitPrice Amount="25.01" Notation="EUR" />
<Quantity Value="200" />
<CounterParty Code="XAMS" CodeType="M" />
<VenueIdentification Code="XAMS" CodeType="M" />
<ClientCode Code="AFM10024" CodeType="I" />
</TradeLeg>
</Instrument>

Bond

</Instrument>
- <Instrument Code="NL0000113587" SecurityType="DBVUQB" MaturityDate="9999-12-31">
- <TradeLeg ReferenceNumber="20080407-30016-1017" TradingDay="2008-04-07" BuySellIndicator="B" TradingCapacity="A">
<TradingTime TradingTimeUTC="16:53:00" TimeIdentifier="+02" />
<UnitPrice Amount="102.4" Notation="XXX" />
<Quantity Value="250000" Notation="EUR" />
<CounterParty Code="XAMS" CodeType="M" />
<VenueIdentification Code="XAMS" CodeType="M" />
<ClientCode Code="AFM10023" CodeType="I" />
</TradeLeg>
</Instrument>
- <Instrument Code="NL0000102077" SecurityType="DBFTFB" MaturityDate="2023-01-15">

- <TradeLeg ReferenceNumber="20080407-30006-1006" TradingDay="2008-04-07" BuySellIndicator="B" TradingCapacity="A">
<TradingTime TradingTimeUTC="15:02:00" TimeIdentifier="+02" />
<UnitPrice Amount="120" Notation="XXX" />
<Quantity Value="25000" Notation="EUR" />
<CounterParty Code="XAMS" CodeType="M" />
<VenueIdentification Code="XAMS" CodeType="M" />
<ClientCode Code="AFM10025" CodeType="I" />
</TradeLeg>
- <TradeLeg ReferenceNumber="20080407-30024-1030" TradingDay="2008-04-07" BuySellIndicator="B" TradingCapacity="A">
<TradingTime TradingTimeUTC="09:27:00" TimeIdentifier="+02" />
<UnitPrice Amount="120.1235" Notation="XXX" />
<Quantity Value="10000000" Notation="EUR" />
<CounterParty Code="XAMS" CodeType="M" />
<VenueIdentification Code="XAMS" CodeType="M" />
<ClientCode Code="AFM10024" CodeType="I" />
</TradeLeg>
</Instrument>

Option call (All-code) and cancellation

- <Instrument Code="XEUERDOC2008-04-1824" CodeType="AI" SecurityType="OCASPS">
- <Derivative DerivativeType="O" PutCallIndicator="C" StrikePrice="24" MaturityDate="2008-04-18" PriceMultiplier="100">
<UnderlyingInstrument Code="GB00B03MLX29" />
</Derivative>
- <TradeLeg ReferenceNumber="20080407-30007-1007" TradingDay="2008-04-07" BuySellIndicator="S" TradingCapacity="A">
<TradingTime TradingTimeUTC="09:03:00" TimeIdentifier="+02" />
<UnitPrice Amount="1" Notation="EUR" />
<Quantity Value="1" />
<CounterParty Code="XEUE" CodeType="M" />
<VenueIdentification Code="XEUE" CodeType="M" />
<ClientCode Code="AFM10025" CodeType="I" />
</TradeLeg>
- <TradeLeg ReferenceNumber="20080407-30007-1007" TradingDay="2008-04-07" **CancellationFlag="C"** BuySellIndicator="S" TradingCapacity="A">
<TradingTime TradingTimeUTC="09:03:00" TimeIdentifier="+02" />
<UnitPrice Amount="1" Notation="EUR" />
<Quantity Value="1" />
<CounterParty Code="XEUE" CodeType="M" />
<VenueIdentification Code="XEUE" CodeType="M" />
<ClientCode Code="AFM10025" CodeType="I" />
</TradeLeg>
- <TradeLeg ReferenceNumber="20080407-30011-1012" TradingDay="2008-04-07" BuySellIndicator="S" TradingCapacity="A">
<TradingTime TradingTimeUTC="11:41:00" TimeIdentifier="+02" />
<UnitPrice Amount="1" Notation="EUR" />
<Quantity Value="1" />
<CounterParty Code="XEUE" CodeType="M" />

<VenueIdentification Code="XEUE" CodeType="M" />
<ClientCode Code="AFM10029" CodeType="I" />
</TradeLeg>
</Instrument>

Warrant

- <Instrument Code="FR0010068965" SecurityType="RWSTCB">
- <Derivative DerivativeType="W" PutCallIndicator="C" StrikePrice="20" MaturityDate="2008-10-11">
<UnderlyingInstrument Code="FR0000031122" />
</Derivative>
- <TradeLeg ReferenceNumber="20080407-30018-1019" TradingDay="2008-04-07" BuySellIndicator="B" TradingCapacity="P">
<TradingTime TradingTimeUTC="14:20:00" TimeIdentifier="+02" />
<UnitPrice Amount="12.5" Notation="EUR" />
<Quantity Value="1000" />
<CounterParty Code="AFM10023" CodeType="I" />
<VenueIdentification Code="XAMS" CodeType="M" />
</TradeLeg>
</Instrument>
</ReportingFirm>
</Report>

UnderlyingInstrumentCode – TM solutions

- <Instrument Code="GB00B4QL4T10" SecurityType="RXXXXX">
<UnderlyingInstrument Code="Unknown" CodeType=”TM” />
</Derivative>

Appendix E List of front errors and warnings

Front error message (via webupload and SFTP)	MessageKey (only via SFTP)	Paragraph
An unexpected error occured while processing the report	UnexpectedError	-
Client code type cannot be empty	ClientCodeTypeEmpty	4.5.7
Counter party code cannot be empty	CounterPartyCodeEmptyBIC/ CounterPartyCode-EmptyInternal/ CounterPartyCodeEmptyMIC	4.5.6
Counter party code type cannot be empty	CounterPartyCodeTypeEmpty	4.5.6
Error in Alternative instrument code	AlternativeInstrumentCodeError	4.5.8.2.1
Error in Alternative instrument code: Invalid date	AlternativeInstrumentCodeInvalidDate	4.5.8.2.1
Error in Alternative instrument code: Invalid exchange code	AlternativeInstrumentCodeNotFoundMIC	4.5.8.2.1
Error in Alternative instrument code: Invalid exchange product code	AlternativeInstrumentCodeInvalidProductCode	4.5.8.2.1
Error in Alternative instrument code: Invalid put/call identifier	AlternativeInstrumentCodeInvalidPutCallIdentifierInvalid	4.5.8.2.1
Error in Alternative instrument code: Invalid strike price	AlternativeInstrumentCodeInvalidStrikePriceInvalid	4.5.8.2.1
Error in Alternative instrument code: The maturity date is incorrect	AlternativeInstrumentCodeInvalidMaturityDate	4.5.8.2.1
Instrument code cannot be empty	InstrumentCodeEmpty	4.5.8
Instrument security code cannot be empty	InstrumentSecurityCodeTypeEmpty	4.5.9
Invalid cancellation flag	CancellationFlagInvalid	4.5.16
Invalid client code	ClientCodeInvalid/ ClientCodeInvalidBIC/ ClientCodeLengthInternal	4.5.7
Invalid client code type	ClientCodeTypeInvalid	4.5.7
Invalid client code: Invalid country code	ClientCodeInvalidBICCountry	4.5.7
Invalid client code: Invalid length	ClientCodeLengthBIC	4.5.7
Invalid counter party code	CounterPartyCodeLengthInternal/ CounterPartyCodeLengthMIC	4.5.6
Invalid counter party code type	CounterPartyCodeTypeInvalid	4.5.6
Invalid counter party code: Invalid country code	CounterPartyCodeInvalidBICCountry	4.5.6
Invalid counter party code: Invalid length	CounterPartyCodeLengthBIC	4.5.6
Invalid instrument code	InstrumentCodeISINInvalid/ InstrumentCodeISINLength	4.5.8
Invalid instrument code length	InstrumentCodeLength	4.5.8
Invalid instrument security code	InstrumentSecurityCodeTypeInvalid	4.5.9
Invalid instrument security code	InstrumentSecurityCodeTypeLength	4.5.9
Invalid price notation	PriceNotationInvalid	4.5.13
Invalid quantity	QuantityLength/ QuantityNumberOfDecimals/ QuantityNumberOfIntegers/ QuantityTooSmall	4.5.10
Invalid quantity notation	QuantityNotationnvalid/ QuantityNotationLength	4.5.11
Invalid reporting firm code	ReportingFirmCodeEmptyBIC/ ReportingFirmCode-InactiveBIC/ ReportingFirmCodeNotFoundBIC	4.5.1
Invalid reporting firm code: Invalid country code	ReportingFirmCodeInvalidBICCountry	4.5.1
Invalid reporting firm code: Invalid length	ReportingFirmCodeLengthBIC	4.5.1
Invalid security type	InstrumentSecurityTypeInvalid/ SecurityTypeLength/ SecurityTypeNotAlphabetical	4.5.9
Invalid submitting firm code	SubmittingFirmCodeEmptyBIC/ SubmittingFirmCodeInactiveBIC/ SubmittingFirmCodeNotFoundBIC	4.5.14
Invalid submitting firm code: Invalid length	SubmittingFirmCodeLengthBIC	4.5.14
Invalid trading capacity	TradingCapacityInvalidTradingCapacityLength	4.5.2
Invalid transaction reference number	TransactionReferenceNumberLength	4.5.15

Front error message (via webupload and SFTP)	MessageKey (only via SFTP)	Paragraph
Invalid unit price	InvalidUnitPrice/ UnitPriceLength/ UnitPriceNumberOf-Decimals/ UnitPriceNumberOfIntegers/ UnitPriceTooSmall	4.5.12
Invalid venue identification code	VenueIdentificationCodeInvalid/ VenueIdentificationCodeLengthMIC	4.5.5
Invalid venue identification code type	VenueIdentificationCodeTypeInvalid/ VenueIdentificationCodeTypeLength	4.5.5
Invalid venue identification code: Invalid country code	VenueIdentificationCodeInvalidBICCountry	4.5.5
Invalid venue identification code: Invalid length	VenueIdentificationCodeLengthBIC	4.5.5
Not authorized for the submitting type	NotAuthorizedForSubmittingType	3.2
Price notation cannot be empty	PriceNotationEmpty	4.5.13
Report create date cannot be empty	ReportCreateDateDateTimeNotFilled	4.4: Q.3
Report create date cannot be in future	ReportCreateDateTimeInFuture	4.4: Q.3
Security type cannot be empty	InstrumentSecurityTypeEmpty	4.5.9
The classification of the instrument is not consistent with the currency code	PriceCFICodePreEuroInvalid	4.5.11
The filename does not match the convention	InvalidFilename	3.3.1.1
The number of consecutive errors exceeds the maximum. Stopping validation...	TooManyFailures	4.1.1.1
The venue identification code is not consistent with the instrument code	VenueIdentificationCodeWrongInstrumentType	4.5.5
Trading capacity cannot be empty	TradingCapacityEmpty	4.5.2
Trading date and time cannot be empty	TradingDateTimeNotFilled	4.5.4
Trading date cannot be in future	TradingDateTimeInFuture	4.5.4
Transaction is already cancelled	TxAllreadyCancelled	4.5.16
Transaction reference number cannot be empty	TransactionReferenceNumberEmpty	4.5.15
Transaction reference number is in use	TransactionReferenceNumberNotUnique	4.5.15
Transaction to be cancelled is not found	OriginalTransactionNotFound	4.5.16
Unknown client code	ClientCodeNotFoundBIC	4.5.7
Unknown counter party code	CounterPartyCodeInactiveBIC/ CounterPartyCode-InactiveMIC/ CounterPartyCodeNotFoundBIC/ CounterPartyCodeNotFoundMIC	4.5.6
Unknown instrument code	InstrumentCodeNotFoundISIN	4.5.8
Unknown venue identification code	VenueIdentificationCodeInactiveBIC/ VenueIdentificationCodeInactiveMIC/ VenueIdentificationCodeNotFoundBIC/ VenueIdentificationCodeNotFoundMIC	4.5.5
Venue identification code cannot be empty	VenueIdentificationCodeEmptyBIC VenueIdentificationCodeEmptyMIC	4.5.5
Venue identification code type cannot be empty	VenueIdentificationCodeTypeEmpty	4.5.5
You are not authorized to use the firm codes	NotAuthorized	3.2

Front error message related to reference fields other then All or ISIN (via webupload and SFTP)	MessageKey (only via SFTP) related to the reference fields other then All or ISIN	Paragraph
Derivative maturity date cannot be empty	DerivativeMaturityDateEmpty	4.5.17
Derivative maturity date must be later than the trading date	DerivativeMaturityDateNotInFuture	4.5.17
Invalid derivative type	DerivativeTypeInvalid	4.5.17
Invalid price multiplier	PriceMultiplierEqualOrLessThanZero/ PriceMultiplierLength/ PriceMultiplierNumberOfDecimals/ PriceMultiplierNumberOfIntegers	4.5.17
Invalid put / call	PutCallIndicatorInvalid	4.5.17
Invalid strike price	StrikePriceLength/ StrikePriceLessThanZero/ StrikePriceNumberOfDecimals/ StrikePriceNumberOfIntegers/ StrikePriceTooSmall	4.5.17
Invalid underlying instrument code	UnderlyingInstrumentCodeISINInvalid/ UnderlyingInstrumentCodeISINLength/ UnderlyingInstrumentCodeLength	4.5.17
Invalid underlying instrument code type	UnderlyingInstrumentCodeTypeInvalid/ UnderlyingInstrumentCodeTypeLength	4.5.17
Maturity date cannot be empty	InstrumentMaturityDateEmpty	4.5.17
Maturity date must be later than the trading date	MaturityDateNotInFuture	4.5.17
Maturity date should be empty for derivates	InstrumentMaturityDateNotEmpty	4.5.17
Put / call cannot be empty	PutCallIdentifierEmpty	4.5.17
Strike price cannot be empty	StrikePriceEmpty	4.5.17
Underlying instrument can only be used for derivatives	UnderlyingInstrumentCodeTypeFilledWithoutDerivative	4.5.17
Underlying instrument code cannot be empty	UnderlyingInstrumentCodeEmpty	4.5.17
Underlying instrument code type cannot be empty	UnderlyingInstrumentCodeTypeEmpty	4.5.17

Warning message (via webupload and SFTP)	Warning messageKey (only via SFTP)	Paragraph
Client code can only be used together with an agent capacity	ClientCodeFilledWithoutAgentCapacity	4.5.7
Derivative maturity date can only be used for derivatives	DerivativeMaturityDateFilledWithoutDerivative	4.5.17
Derivative types can only be used for derivatives	DerivativeTypeFilledWithoutDerivative	4.5.17
Price multiplier can only be used for derivatives	PriceMultiplierFilledWithoutDerivative	4.5.17
Put / call can only be used for derivatives	PutCallIndicatorFilledWithoutDerivative	4.5.17
Strike price can only be used for derivatives	StrikePriceFilledWithoutDerivative	4.5.17
Underlying instrument can only be used for derivatives	UnderlyingInstrumentCodeFilledWithoutDerivative	4.5.17
Unknown underlying instrument code	UnderlyingInstrumentCodeNotActiveISIN/ UnderlyingInstrumentCodeNotFoundISIN	4.5.17

Table 5: Complete overview of all possible front errors and warning TRS generates based on the message in alphabetic order

Appendix F List of quality review topics

List of quality review issues in alphabetical order

CounterPartyCode content equals ClientCode (see 4.5.6)

CounterPartyCode content equals InstrumentCode (see 4.5.6)

Incorrect Alternative Instrument Identifier (AII) (see 4.5.8)

Incorrect combination of InstrumentCode and SecurityType (see 4.5.8)

Incorrect combination of VenueIdentificationCode and Alternative Identifier (AII) (see 4.5.5)

Incorrect combination of VenueIdentificationCode and CounterPartyCode (see 4.5.5)

~~Incorrect combination of VenueIdentificationCode and InstrumentCodeType~~ (This test has been automated per December 1st 2010) (see 4.5.5)

Incorrect combination of VenueIdentificationCode and SecurityType (see 4.5.5)

Incorrect InstrumentCodeType (see 4.5.8)

Incorrect population of SecurityType: 'D' (see 4.5.9)

Incorrect SecurityType (CFI-code) (see 4.5.9)

Price out of range (see 4.5.12)

ReportingFirmCode content equals ClientCode (see 4.5.1)

ReportingFirmCode content equals CounterPartyCode (see 4.5.1)

Transactions with TradingTimes outside the official opening hours of the venues (see 4.5.4)

Appendix G Transaction reporting fields

	Field name	Paragraph	Information when not described
Q1: Are the involved parties correct?	ReportingFirmCode	4.5.1	
	TradingCapacity	4.5.2	
	BuySellIndicator	4.5.3	
	TradingDateTime	4.5.4	
	TimeZoneId	4.5.4	The TimeZoneId is already integrated in the TradingDateTime, thus this field is empty in the data reconciliation file.
	VenueIdentificationCode	4.5.5	
	VenueIdentificationCodeType	4.5.5	
	CounterPartyCode	4.5.6	
	CounterPartyCodeType	4.5.6	TRS gives a default value 'B'
	ClientCode	4.5.7	
	ClientCodeType	4.5.7	
Q2: Is the reported data of the instrument correct?	InstrumentCode	4.5.8	
	InstrumentCodeType	4.5.8	
	SecurityType	4.5.9	
	Quantity	4.5.10	
	QuantityNotation	4.5.11	
	UnitPrice	4.5.12	
	PriceNotation	4.5.13	
	*MaturityDate**	*4.5.17*	
	*DerivativeType**	*4.5.17*	
	*PutCallIndicator **	*4.5.17*	
	*DerivativeMaturityDate**		See Field MaturityDate
	*PriceMultiplier**	*4.5.17*	
	*StrikePrice**	*4.5.17*	
	*UnderlyingInstrumentCode**	*4.5.17*	
	*UnderlyingInstrumentCodeType **	*4.5.17*	
Q3: Are firms able to reconcile the technical fields with your systems ?	SubmittingFirmCode	4.5.14	
	DepartmentName	3.2.1	
	TransactionReferenceNumber	4.5.15	
	CancellationFlag	4.5.16	
	ReportId	3.3.1.1	
	SubmittingType	3.3	SFTP/ web upload/ manual keying
	DateTimeCreated		DateTime TRS has processed the file
	ReportedCreateDateTime	4.4 Q3	
	CancelledBy		Internal field generated by TRS
	TransactionId		Internal field generated by TRS
	TrsReportId		Internal field generated by TRS
	ExchangeReason		Internal field generated by TRS

* Instrument reference data fields are not validated when the InstrumentCode(Type) is either ISIN or AI. These columns can be found at the end of the csv-file.

Table 6: Transaction reporting fields (to be requested to fulfil data reconciliation by the investment firm via melden@afm.n

Appendix H Audit format TRS

The AFM will periodically audit investment firms that report transactions in TRS. The idea behind the audit is to check whether the transaction reporting process matches the underlying business activities of the firm; if the content of the fields are reported accurate (and are in line with reality) and if the firm reports all relevant transactions (complete) on time.

Preparation (two weeks before the audit takes place)

- the AFM will select between 10-20 recent TRS-transactions and send them to the firm.
- the investment firm is asked to collect all the underlying documentation/ printscreens for each selected transaction from the whole process (from order to transaction to the report of the transaction to TRS). The documentation will be discussed during the audit.

The audit at the firm's place

- To understand more about the investment firm, we first ask to describe:
- the current business activities undertaken by the investment firm;
- which categories of financial instruments (equity; bonds; derivatives; other) are traded?
- on which places of execution (including OTC, Bloomberg, by phone) transactions can be executed directly as member and via brokers?
- the type of clients the investment firm serves (no clients; only professional clients; retail clients; etc.);
- is the firm active in proprietary trading and does the firm reports these transactions?
- an overview of the front and back office systems and an explanation where the transaction report is generated from. The data field matrix in appendix I on page 82can be of help.

Then the all data quality aspects will be discussed:

- completeness: covers current reporting the scope for all current business activities? How does the firm deals with front errors? Is there a proper error handling process in place? Is it possible to show us (either in explanation or in written) how this process is active? How is completeness checked or guaranteed?
- accurateness: based on the three questions (see § 4.4) all TRS-fields are compared with the underlying documents/ print screens provided with the selection of transactions. The reality behind the transactions can be explained by the firm and should be in line with the underlying business activity.
- timeliness: the reason why transactions can be too late and what has been done to solve this? Why and how often (per month) do cancellations occur? Are these cancellations relevant for TRS-data?

To finalize the audit, we talk about:

- whether the investment firm reports on behalf **for** other investment firms or **through** third parties?
- monthly overviews: what actions are in place based on the information in these overviews?
- quality reviews: are issues being solved or understood? Do they pop up each time? Why?
- data reconciliation: did the firm requested TRS-data to reconcile their reports? What are the experiences?

After the audit

- the AFM writes a concept audit report about all above and asks the firm to add, check and change the information in this report when things are different.
- the AFM finalizes the audit report where the conclusion is added.

The table on the next page might help the firm to analyze what the firm currently reports for each underlying business activity:

Your investment firm currently reports:	YES/NO
- only the market facing transaction, either with TradingCapacity: Agent or Principal	
- only the client side of the transaction, either with TradingCapacity: Agent or Principal	
- when the client side is reported with a Principal-capacity is the broker side also reported?	
- both sides (market and client) transaction, either as Agent or Principal	
- trading for your own account, other than marketmaker or systematic internaliser	
- all financial instruments (also those which are not admitted to trading on a RM)	
- all transactions inclusive those from an exempted perspective (investment fund and pension asset management (group related) transactions)	
- other [specify]:	

Table 7: Overview of content transactions reported to TRS

Appendix I Data Field Matrix

Table 8: data field matrix

	What system is the data field created in	Name of the system	Field-id code and description in system	Source data type	- If source data type is logic, outline logic; - If hardcoded explain why and how; - If from static data explain where it is held and who owns it; - If from transaction data explain what data field it is derived from and how; - If source data type is other, explain.	Can data be changed between creation and being included on the AFM report? Y/N	How can it be changed?	Where can it be changed	Testing methodology	Conclusions	Notes/ questions	Risk	Description of risk	Action	Owner
AFM TRS fields	Front? Back?	Fidessa	1.2.3	Transaction? Logic? Static table? Other?	Further detail on source data	Y	How? Who?	Where?							
ReportingFirmCode															
TradingCapacity															
BuySellIndicator															
TradingDateTime															
TimeZoneId															
VenueIdentificationCode															
VenueIdentificationCodeType															
CounterPartyCode															
CounterPartyCodeType															
ClientCode															
ClientCodeType															
InstrumentCode															
InstrumentCodeType															
SecurityType															
Quantity															
QuantityNotation															
UnitPrice															
PriceNotation															
SubmittingFirmCode															
TransactionReferenceNumber															
CancellationFlag															
ReportId															
ReportedCreateDateTime															

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