

RT/ZW/43/2016

Warsaw, 29 January 2016

**To KDPW_TR Trade Repository Participants
To Whom It May Concern**

Dear Sir or Madam,

Please be advised that further to previous communications KDPW_TR is launching the last phase of harmonisation of the reconciliation process with the requirements of level 2 validation.

The modifications include in particular the addition of details of incorrect/invalid counterparty identifiers (LEI codes) and incorrect trade identifiers (UTI) to the message trar.rcn.001.02. A new functionality will be added to the reconciliation process: additional checks of the flag of a European Economic Area (EEA) counterparty. If the flag is inconsistent with the counterparty details included in data provided by the counterparty, a new error code CPCT will be used in the message trar.rcn.001.02. Following the implementation of modifications in the validation of the trade identifier (UTI) in reconciliation, the process will only include transactions designated with correct UTI identifiers, i.e., identifiers which only contain Latin alphabetic characters, numeric characters, and/or four special characters { : . - _ }. The use of the space or any other special characters will result in exclusion of the report from the pairing and comparing process. The rejection will be notified by means of the ERUT status in the message trar.rcn.001.02.

According to the ESMA guidance, reconciliation includes only such reports where both counterparties are identified with a valid LEI code. Where a report is not included in reconciliation due to an incorrect or invalid LEI code, it will be notified by means of the status ERL1 (incorrect counterparty identifier) or ERL2 (incorrect other counterparty identifier) in the message trar.rcn.001.02.

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All the aforementioned modifications are available in the TSTB test environment. In connection with the modifications under implementation, reconciliation will be performed on a daily basis in the next two weeks in the TSTB test environment. After that period, reconciliation will be performed on the existing terms, i.e., at the request of the interested party notified by e-mail (address: repository@kdpw.pl) with an advance notice of at least one day.

The modifications are scheduled to be implemented in the production system on 13 February 2016.

Please be informed that the updated document which describes the pairing and comparing process is available on the KDPW_TR website under the tab "XML messages – modifications".

Should you have any doubts, please contact us by e-mail at repository@kdpw.pl or by phone at: +48 22 537 91 47, +48 22 537 93 30, +48 22 537 95 52, +48 22 537 91 30.

Yours sincerely,

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