

Warsaw, 14 July 2015

To: KDPW\_TR Participants  
Interested parties

Dear Madam or Sir,

First of all, please find below a summary of the communication provided at the last meeting of the Trade Repositories with ESMA.

- Despite a joint request of all Trade Repositories, ESMA has confirmed the implementation timeline of Level 2 Validation.
- In view of the unanimous position of all Trade Repositories, ESMA has agreed to reanalyse the issue of enforcement of section 20b of Q&A concerning the requirement to maintain in parallel the existing validations of reports provided to trade repositories by the end of October with AT=N to the extent of all modifications of such reports following the implementation of LV2.
- Concerning Step 2, i.e., checking pre-LEI Registration Status against the Global pre-LEI Database operated by the GLEIF, ESMA has communicated that the expected date of announcing the implementation of the validation is September 2015. Furthermore, ESMA has confirmed that in order to comply with the requirements, the validation will take effect three months after the announcement. We encourage you to communicate this to your clients at this point.
- ESMA has also communicated that certain CICI Codes issued by pre-LOU DTTC prior to the effective date of the ROC Standards have a check digit inconsistent with the algorithm under ISO 17442. According to ESMA, those entities which have been issued such codes should request a correct identifier. Furthermore, please note that even in the absence of a prefix, certain pre-LEI codes issued by pre-LOU DTTC have the correct check digit and are considered by ESMA to be compliant.

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The scope of modifications compared to the assumptions communicated in the attachment to the letter of 11 June 2015 is as follows:

**Discontinuation of the distinction between report eligibility dates EligDt From and To which are replaced with EligDt:**

A part of trade history can now be overwritten or supplemented starting with the date provided in a message until the next mutation becomes valid. Consequently, the eligibility date will mark the start of the validity of modifications provided in a report and will not be checked for chronology.

General rules:

- 1) Eligibility Date will be required in every message.
- 2) The following data modifications will be processed:
  - Adding new mutations after existing mutations, i.e., modifying data from a date greater than the last entry with status = A valid for the trade;
  - Overwriting the existing history, i.e., supplementing data during the lifetime of a trade: modifying data from a date greater than or equal to the date of the first valid entry for the trade until a date lower than or equal to the date of the last valid entry;
  - Modification of the Execution Timestamp and adding a history valid before the reported history, i.e., modifying data from a date lower than the minimum validity date of the history of the trade (for all valid entries with status = A).

**Processing double-sided reports**

Double-sided reports will be considered a single report and as such the entire report will be considered to be compliant or non-compliant. If the data reported by one party are correct and the data reported by the other party are incorrect, the report as a whole will be rejected as non-compliant. If you decide that one leg of a trade can be reported, the TR system will accept such a report if it is single-sided. The sequence of the keys and the counterparties provided in the linkages section for action types (AT) other than new (N) will determine the sequence of reporting – if data are reported incorrectly (e.g., cross-reporting), the entire message will be rejected as non-compliant.

**Three steps of confirmation – status messages**

Our assumption is that communications with you will be confirmed in three steps. You will receive negative messages in each case but you can define the scope of positive messages individually by filing a member declaration.



The first step of confirmation is a message confirming whether the report complies with the XML schema. At this step, you can receive message adm1.err.001.01 or a new message confirming that the report complies with the schema and has been accepted in the MQ.

The second step of confirmation is message trar.sts.003.01 confirming whether the trade has been validated in the formal and substantive check module. The message contains the trade key and the report status: PACK/ERRO. For a message with the ERRO status, the message will additionally provide the error code, as before, which caused the message to be rejected.

The third step of confirmation is message trar.sts.001.02 for messages with PACK status where the trade status in the TR database includes the modifications provided in the message.

#### **Change of format of the field Price multiplier**

Following your request, the field Price multiplier may be populated with up to 10 numeric characters including 2 decimal spaces.

#### **Addition of a new field Underlying technical**

The new field 'Underlying Technical' will allow the reporting entity to clearly identify the product. In particular, for contracts where the field 'Underlying' must not be completed under the ESMA level 2 validation rules, it allows to specify product details for collective valuation or collective termination. The field will be used to link collective valuations and terminations with underlying reports.

The field can be populated with any content up to 20 alphanumeric characters.

#### **Modification of the processing of compression (AT=Z)**

Compression of a portfolio of contracts/trades is reported with AT=Z, where the values in the fields Notional Amount and Quantity are set to 0. AT=Z requires Termination Date (compression date) and is subject to the following check: if Maturity Date is populated in the previous report, then Termination Date must be lower than or equal to Maturity Date.

Compression understood as reduction of a portfolio of contracts/trades results in the report being deactivated and moved to the archive. The values of a position generated through compression should be reported as AT=N with a new TradId, Eligibility Date = Execution Timestamp = compression date and the flag Compression='Y'.

The updated information materials – the scope of modifications, the new functionalities, the dictionary data and the rules of populating messages – will be available online as of 15 July under the tab 'Trade Repository KDPW\_TR → Correspondence (link:

<http://www.kdpw.pl/pl/Repozytorium%20transakcji%20wersa%20EMIR/Strony/Korespondencja.aspx>).

The amended message schemas, whose names reflect the new version, will be published on-line by 15 July under the tab 'Trade Repository KDPW\_TR → Xml messages – changes' (link: <http://www.kdpw.pl/pl/Repozytorium%20transakcji%20wersa%20EMIR/Strony/Komunikaty-xml---zmiany.aspx>). The new status message schemas, described in the section "Three steps of confirmation", will be provided at a later time. However, the key modifications concern message trar.sts.001.02.

Should you have any further questions or doubts, please contact us by at [repository@kdpw.pl](mailto:repository@kdpw.pl). You can contact us by e-mail: [repository@kdpw.pl](mailto:repository@kdpw.pl) and by phone: 022 537 91 47, 022 537 95 72, 022 537 91 30.

Yours sincerely,

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