

LEVEL 2 VALIDATION

Modifications to message checks, reconciliation and report processing

(Materials for Participants)

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1. General modifications

1.1. UTI unique to counterparties

One UTI (TradId) can only be used once between the same counterparties. Any attempt to use a TradId more than once between the same counterparties will cause the message to be rejected even if the prior report has been fully cancelled (by sending AT=E to delete the entire trade).

1.2. New message functionality – data deletion

A new message functionality will be introduced in order to report blank optional fields and to delete data previously reported in a field: the delete='Y' attribute for a tag.

Data deletion will only be available for non-mandatory values (for a detailed list of fields available for deletion, see the document "Populating Messages").

By selecting the delete='Y' for a tag, participants can indicate in a message AT=M those fields which are to be deleted.

Example:

```
<Undrlyg delete='Y'/>
```

As a result, the Underlying field will be blank.

The attribute indicated for those fields which are not available for deletion will cause the message to be rejected.

The deletion function will be available for the message trar.ins.001.01 (AT=M) and for the messages trar.ins.002.01, trar.ins.003.01; the application of the functionality to collective reporting messages is described below (section 6).

1.3. Record status information

Every trade record (mutation) in the TR database has a status which can be set to one of the following values:

- A – Active (covers all records which have neither been deleted nor terminated)
- N – Inactive (covers terminated records)
- E – Deleted (covers deleted records).

In view of the functionality of partial termination and automatic expiration of trades, record status information will be available to participants.

The interface tabs 'Report Searching...' and 'Archive' will remain available. The former tab will present active records (status 'A'); the latter tab will present inactive records (status 'N'). In addition, a new tab will be added: 'Deleted reports' presenting deleted records (status 'E'). The scope of data presented in the tab will be limited to the fields: TradId, Cp1, Cp2, ErrorDtTm.

A new field 'Record status' will be added in messages trar.rqs.001.01, trar.sts.001.01 and trar.ntf.001.01.

A new functionality will be added to message trar.rqs.001.01: query by record status.

1.4. Replacement of EligibilityDate with Eligibility Date From and Eligibility Date To

A part of trade history can now be overwritten within the range of selected dates. Consequently, the eligibility date will be modified to cover a range of dates: Eligibility Date From and Eligibility Date To.

General rules:

- 1) Eligibility Date From will be required in every message.
- 2) If Eligibility Date To is populated, the trade history is overwritten within the specified range from Eligibility Date From to Eligibility Date To, i.e., the previous relevant records are no longer valid or visible, and they are replaced with new (updated) records. **A part of history can only be overwritten with AT=M, V or Z. Eligibility Date To for other AT will be ignored.**
- 3) If Eligibility Date To is not populated and Eligibility Date From is greater than the eligibility date of the last mutation, a new record is created and it is valid from Eligibility Date From.
- 4) **If Eligibility Date To is not populated and Eligibility Date From is less than or equal to the eligibility date of the last mutation, a new record is created and it is valid from Eligibility Date From, and the existing history from Eligibility Date From is no longer valid or visible.**

EXAMPLES:

Example 1

Trade T1 is reported with trade date D1 (AT=N). At date D3, the trade is modified (AT=M) with Eligibility Date From = D3 and blank Eligibility Date To.

The details reported with AT=N are valid from date D1 to date D2; the details reported with AT=N incorporating the changes reported with AT=M are valid from date D3.

Report status = A – active

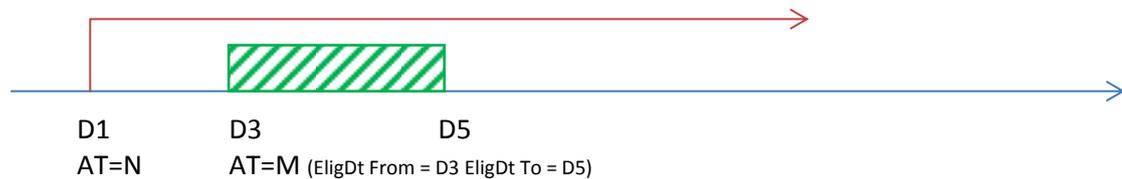


Example 2

Trade T1 is reported with trade date D1 (AT=N). At date D3, the trade is modified (AT=M) with Eligibility Date From = D3 and Eligibility Date To = D5.

The details reported with AT=N incorporating the changes reported with AT=M are valid from date D3 to date D5; the details reported with AT=N are valid again from date D6.

Report status = A – active



Example 3

Trade T1 is reported with trade date D1 (AT=N). At date D6, the trade is partially terminated (AT=C) with Eligibility Date From = D6.

The details reported with AT=N are valid from date D1 to date D5; the details reported with AT=N incorporating the changes reported with AT=C are valid from date D6.

Report status = A – active



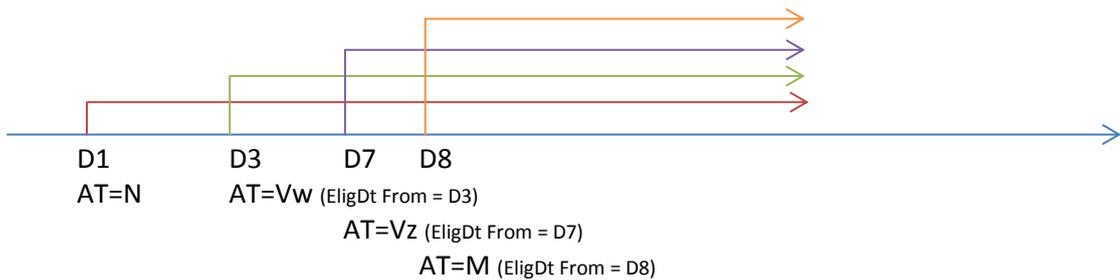
Example 4

Trade T1 is reported with trade date D1 (AT=N). At date D3, the trade valuation is updated (AT=Vw) with Eligibility Date From = D3 and blank Eligibility Date To. At date D7, the trade collateral is updated (AT=Vz) with Eligibility Date From = D7 and blank Eligibility Date To. At

date D8, the trade is modified (AT=M) with Eligibility Date From = D8 and blank Eligibility Date To.

The details reported with AT=N are valid from date D1 to date D2; the details reported with AT=N incorporating the valuation reported with AT=Vw are valid from date D3; the details reported with AT=N incorporating the valuation reported with AT=Vw and the collateral reported with AT=Vz are valid from date D7; the details reported with AT=N incorporating the valuation reported with AT=Vw, the collateral reported with AT=Vz and the modification reported with AT=M are valid from date D8.

Report status = A – active

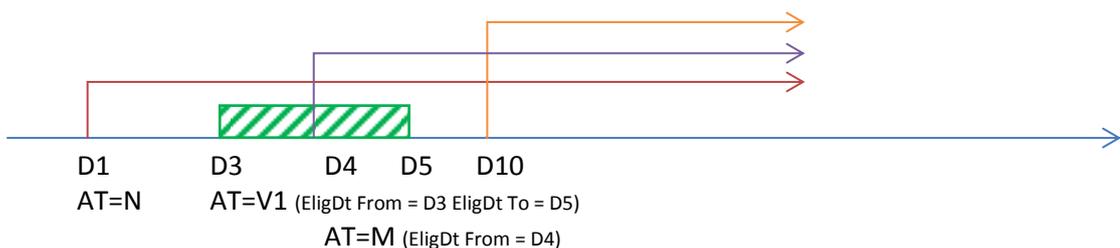


Example 5

Trade T1 is reported with trade date D1 (AT=N). At date D3, the trade valuation is updated (AT=V1) with Eligibility Date From = D3 and Eligibility Date To = D5. At date D4, the trade is modified (AT=M). At date D10, the trade valuation is updated (AT=V2) with Eligibility Date From = D10 and blank Eligibility Date To.

The details reported with AT=N are valid from date D1 to date D2; the details reported with AT=N incorporating the valuation reported with AT=V1 are valid at date D3; the details reported with AT=N incorporating the valuation reported with AT=V1 and the modification reported with AT=M are valid from date D4 to date D5; the details reported with AT=N incorporating the modification reported with AT=M are valid from date D6 to date D9 (valuation V1 is no longer valid); the details reported with AT=N incorporating the modification reported with AT=M and the valuation reported with AT=V2 are valid from date D10.

Report status = A – active



AT=V2 (EligDt From = D10)

Example 6

Trade T1 is reported with trade date D1 (AT=N). At date D12, the trade is fully terminated (AT=C) with Eligibility Date From = D12.

The details reported with AT=N are valid from date D1 to date D11; the details reported with AT=N incorporating the termination reported with AT=C are valid from date D12.

Report status: at dates D1-D11 – A (active), from date D12 – N (inactive)



Example 7

Trade T1 is reported with trade date D1 (AT=N) and Maturity Date = D10. At date D10, the trade expires at maturity (AT=T).

The details reported with AT=N are valid from date D1 to date D9; the details reported with AT=N incorporating the expiration with internal record AT=T are valid from date D10.

Report status: at dates D1-D9 – A (active), from date D10 - N (inactive)



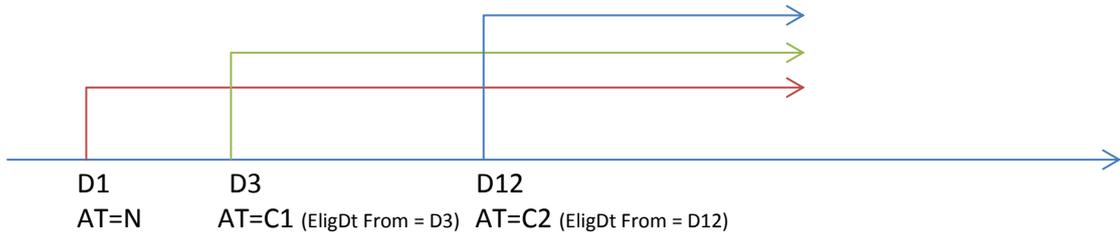
Example 8

Trade T1 is reported with trade date D1 (AT=N). At date D3, the trade is partially terminated (AT=C1) with Eligibility Date From = D3. At date D12, the trade is partially terminated again (AT=C2) with Eligibility Date From = 12.

The details reported with AT=N are valid from date D1 to date D2; the details reported with AT=N incorporating the changes reported with AT=C1 are valid from date D3 to date D11; the

details reported with AT=N incorporating the changes reported with AT=C1 and the changes reported with AT=C2 are valid from date D12.

Report status = A – active

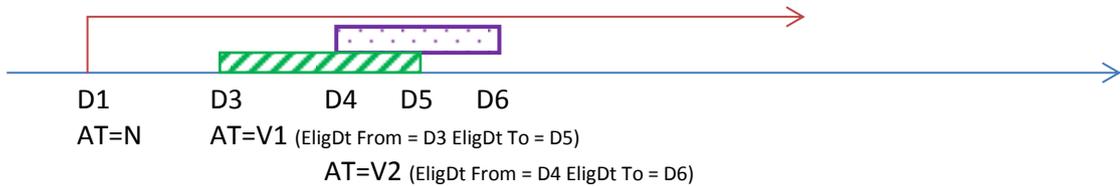


Example 9

Trade T1 is reported with trade date D1. At date D3, the trade valuation is updated with valuation date D3 (AT=V1) valid from D3 to D5, and at date D5 the trade valuation is updated with valuation date D4 (AT=V2) valid from D4 to D6.

The details reported with AT=N are valid from date D1 to date D2; the details reported with AT=N incorporating the valuation V1 reported with AT=V1 are valid at date D3; the details reported with AT=N incorporating the valuation reported with AT=V2 are valid from date D4 to date D5; the details reported with AT=N are valid from date D6 (neither valuation is valid).

Report status = A – active



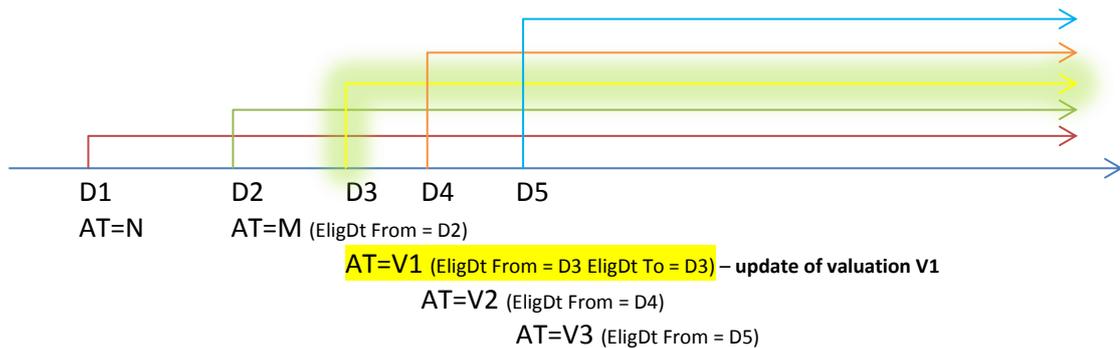
Example 10

Trade T1 is reported with trade date D1. At date D2, the clearing date is modified (AT=M). At date D3, the valuation is updated (AT=V1). At date D4, the valuation is updated (AT=V2). At date D5, the valuation is updated (AT=V3).

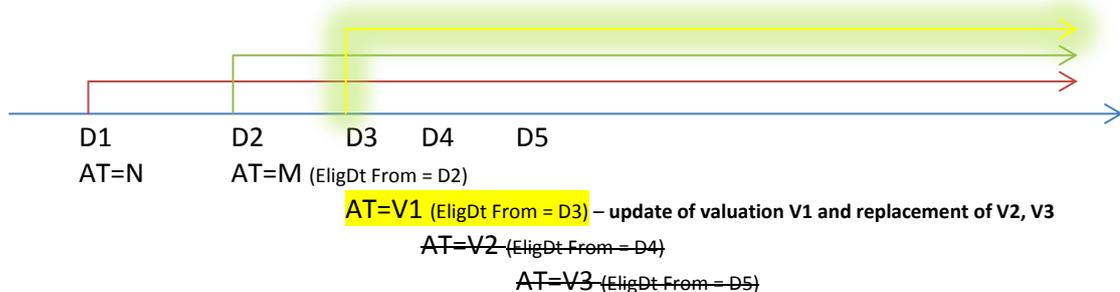


D1 D2 D3 D4 D5
 AT=N AT=M (EligDt From = D2)
 AT=V1 (EligDt From = D3)
 AT=V2 (EligDt From = D4)
 AT=V3 (EligDt From = D5)

At date D6, the reporting entity identifies an error in the valuation reported at date D3 (AT=V1). The solution will support an update of the valuation by reporting AT=V with Eligibility Date From=D3 and Eligibility Date To=D3. Only valuation V1 will be updated.



At the same time, it should be noted that reporting AT=V only with Eligibility Date From=D3, without Eligibility Date To, will cause the valuation history from date D3 to be replaced by a new record. This means that the details now reported by the participant will replace valuations V1, V2 and V3. Consequently, the valuation and all other trade parameters reported at date D3 will be valid at dates D4 and D5.



2. Modifications of the processing of AT=E

- Once AT=E is reported for a trade, the TradID cannot be used again between the same counterparties. The only report that the other counterparty may send is AT=E.
- AT=E can no longer be reported for any AT. From the effective date of the modification for level 2 validation, AT=E will delete a trade and all its history.
- AT=E can no longer be reported by a PUR for AT=O reported by the PUR in order to enable a counterparty to notify the reporting entity of an error of details reported on its behalf.

- d) Once a correct AT=E is received, in addition to its processing as before (deletion of trades), a new record (mutation) AT=E is created. Records of deleted trades will be presented in the interface in a new dedicated tab (Deleted Reports).

3. Data update/modification (instead of AT=E for a mutation)

Data will be updated/modified by sending message trar.ins.001.01 with the relevant AT enabling the modification of the scope of data (e.g., valuation update with message AT=V, update of counterparty details with AT=M, etc., according to the document “Populating Messages”) and the relevant Eligibility Date From and potentially also Eligibility Date To.

All fields can be modified other than the transaction key identifier (i.e., CP1+CP2+TradID). The aforementioned document specifies the fields (sections) that can be modified by each AT.

The transaction key identifier may only be modified if the Clearing Participant reports a change of the counterparty identifier from an interim identifier to an LEI; cf. the section “Modification of counterparty identifiers CP1 and CP2”.

4. Enabling a counterparty to notify of an error in details reported on its behalf – delegated reporting (replacing AT=E (PUR) with AT=O (PUR))

The existing authority of an indirect trade repository participant (PUR) to delete an erroneous report or a report with erroneous values by using AT=E will be discontinued and replaced with the option of notifying the reporting entity of the data error by reporting AT=O for the trade. A PUR may send a report requiring the correction of data only by using the template available in the interface to generate message trar.ins.001.01 with AT=O, where only message sections 0 and 1 are populated with the key of the trade to be adjusted and the date (eligibility dates). The indirect participant receives a feedback status message trar.sts.002.01 in the tab ‘TR Communication’, confirming the transmission of the notification of an error to the reporting entity.

After the PUR’s notification is received, a notification message trar.ntf.001.01 is sent to the reporting participant, indicating the transaction key identifier and the eligibility date (dates) to be adjusted, as well as the LEI of the entity reporting the adjustment. The message is sent in the channel over which the trade repository system received the most recent update of trade details (A2A or U2A). For A2A, the notification message is sent directly to the queue. For U2A, the message is sent to a dedicated tab. A new tab ‘Counterparty notifications’ will be added to the graphical interface, where the reporting entity has access to report adjustment notification messages from counterparties.

5. Modifications related with AT=C and new technical AT=T

5.1. Definitions:

Expiration – ending an active trade/position at the expiry date stated in the field Maturity date;

Termination

For termination, the quantity and amount remaining after the expiration of some or all contracts are reported rather than the terminated contract quantity and amount.

Partial termination – ending some active contracts in a trade/position at the termination date stated in the field Termination Date;

Full termination – ending all active contracts in a trade/position at the termination date stated in the field Termination Date.

5.2. Termination (AT=C) is considered to be partial if the fields Notional Amount and Quantity are populated with values greater than 0.

Termination (AT=C) is considered to be full if the fields Notional Amount and Quantity are populated with values equal to 0.

In both cases, the termination date is mandatory and subject to a check: if the previous report provided a Maturity Date, the Termination Date must be less than or equal to the Maturity Date.

In addition, the following check is performed: if values reported in the fields Notional Amount and Quantity are greater than or equal to the value in the mutation valid at the termination date before the termination report is sent and the termination date is not marked with the delete='Y' attribute, then the message is rejected.

These modifications also require a check of the values reported in the fields Notional Amount and Quantity: a message where only one of these values is equal to zero will be rejected.

Note: Collective termination is always processed as full termination.

5.3. Automatic expiration of trades

The assumption is that trade/position termination is reported by a participant while expiration of trades at the Maturity Date is handled as part of the daily processes by the TR by means of a technical Action Type T.

Scope:

The process covers all reports where the last mutation has a populated Maturity Date.

Time:

The process is started on every business day, similar to the existing AT=C handled automatically by the KDPW Trade Repository.

Action:

For all trades where the last valid mutation has a populated Maturity Date which is less than today's date, a record AT=T (technical code) is created with the Maturity Date of SMR='TR_T_'+TrnKeyId. All reported details remain unchanged and the fields Notional Amount and Quantity are set to zero. The mutation is assigned the record status = "N" (inactive).

Modifications to data available to participants:

Participants are notified of trade expiry in message trar.ntf.001.01.

Participants are notified of the technical code AT=T and the record status = 'N'.

5.4. Enabling reporting for expired, partially and fully terminated trades

A partially terminated trade has record status A – active, which means that modifications are reported in the same way as for all active mutations.

As a single report (mutation) can no longer be deleted, reports with status N – inactive (e.g., after AT=C or AT=T) will be modified with another report with the relevant eligibility date subject to the following conditions:

- termination date can only be modified with AT=C, subject to the validation of Termination Date against Maturity Date, where an incorrect Termination Date can only be cancelled with AT=M with the delete='Y' attribute – see section 5.5;
- expiration date can only be modified with AT=M, subject to all applicable checks. A modification of Maturity Date creates a new mutation with record status A – active, whether or not the trade is active (potential expiration as per section 5.3);
- other values (e.g., valuation, counterparty or trade details) can be modified with the relevant AT (V, M, Z), subject to the following check:
 - if the most recent mutation is inactive, EligDtTo in the submitted report cannot be greater than the maximum EligDtFrom in the inactive mutation;

5.5. Reversal of termination, i.e., 'Restore'

Reversal of termination, i.e., 'Restore' (changing AT=E to AT=C) is supported by message trar.ins.001.01 AT=M where Tag Termination Date has the delete='Y' attribute and the fields Notional Amount and Quantity are populated with values other than 0. In case, when the message contains Tag Termination date marked with the attribute delete='Y' and fields Notional Amount and Quantity are populated with 0 value, this message will be rejected. On the receipt of message reversing termination, the system records another mutation AT=M where Termination Date is blank and the values of the fields Notional Amount and Quantity are provided in the message, what allows the participant in particular to modify and reverse termination in one step.

Message AT=M with a populated Termination Date without the delete='Y' tag will be rejected.

The possibility of sending changes to reports expired, partially and fully terminated is processed basing on the rules described in the point 5.4.

6. Deleting collectively reported values

6.1. AT=C

Collective termination is deleted individually per trade with message trar.ins.001.01 where the tag Termination Date has the attribute delete='Y'. Actions as per section 4.5 for all trades subject to the message.

6.2. AT=V

Collective valuation or collateral is deleted by sending the relevant collective message where the tag of section 2.2 (for trar.ins.002.01) or section 2.3. and 2.4 (for trar.ins.003.01) has the delete='Y' attribute.

Acceptance of the message modifies the status of all valuation and collateral subject to the message; as a result, such valuation/collateral is no longer valid or visible.

6.3. AT=M – cannot be deleted because all fields modified with a collective M are mandatory (for the purpose of replacing an interim code with an LEI, a new message trar.ins.006.01 is generated).

7. Modifications connected with linkages

Discontinuation of the option of deleting a single record (mutation) for a trade allows to simplify the linkages section. The SMR field in the section is no longer relevant because once the modification is in place, the message will be associated with the trade only by the key CP1+CP2+TID, where the Eligibility Date From and Eligibility Date To become relevant as they define the scope of records subject to the modification.

8. Mandatory fields for each AT

8.1. AT=N

The fields which were previously mandatory for AT=N remain mandatory. In addition, new fields become mandatory (Eligibility Date To and Underlying Type) and additional checks are implemented for sections of different contract classes.

8.2.AT=M

The transaction key identifier (CP1+CP2+TID) and the eligibility date (dates) are mandatory in the linkages.

All fields to be modified are populated. Values in those fields which were previously populated but are left blank in the report are copied. If a modified field has the delete='Y' attribute in the message, the previous value in the field is deleted. The section Valuation and collateral cannot be modified with AT=M, and a message with the populated section Valuation and collateral is rejected. An attempt to delete mandatory fields in a report causes the message to be rejected.

8.3.AT=C

The transaction key identifier (CP1+CP2+TID) and the fields Notional Amount and Quantity as well as Termination Date are mandatory in the linkages, the check of EligDtFrom=Termination Date still applies.

8.4.AT=Z

The transaction key identifier (CP1+CP2+TID) and the eligibility date (dates) and the fields Notional Amount and Quantity are mandatory in the linkages.

8.5.AT=E

The transaction key identifier (CP1+CP2+TID) is mandatory in the linkages; AT=E deletes the entire history and prevents another report with the same key from being accepted.

The restriction applies to both counterparties.

8.6.AT=V

The transaction key identifier (CP1+CP2+TID) and the eligibility date (dates) are mandatory in the linkages; the check of Valuation Timestamp=EligDtFrom (date) still applies.

9. Modification of counterparty identifiers CP1 and CP2

Identifiers can be changed to pre-LEI/ LEI with a new dedicated message trar.ins.006.01, where the only allowed AT is M.

Modifications are made in trades reported by the reporting entity who sends the message, and apply to identifiers in both fields CP1 and CP2.

Linkages are built on the basis of the identifiers of the reporting entity and the counterparty, and modification of identifiers applies to both fields CtrptyTRId and OthrCtrptyTrId (for types other than LEIC).

A message is processed to generate:

- Mutation AT=M with Eligibility Date set in the message with a new identifier and identifier type of CP1 and CP2 and the other details derived from the last valid mutation, where a record 'change of CP1 ID' or 'change of CP2 ID' is added in the field ActionTypeDetails;

- All mutations valid at the time of processing are overwritten. Such mutations are replaced with records with new identifiers and new identifier types of CP1 and CP2; the other values are copied for such mutations.

As a result of the modification, the participant receives message trat.sts.002.01 with message processing status PACK or ERRO (for instance, where the source identifier is not in the database, the new LEIC identifier has the wrong format, etc.).

10. New substantive checks

1. Additional checks of LEI codes used in reporting

The checks cover the following fields:

- ✓ CP1 (type LEIC),
- ✓ CP2 (type LEIC),
- ✓ Clearing Member ID (type LEIC),
- ✓ Broker ID (type LEIC),
- ✓ Beneficiary ID (type LEIC),
- ✓ CCP,
- ✓ Underlying (type L-LEI).

The field length (=20) and the control digit (under ISO 17442) are checked. A non-conforming message is rejected.

The Validation 2 document published by ESMA defines Step 2 for LEI validation based on LEI registration status, whereby reports which identify a counterparty with an inactive LEI are rejected. The step will be implemented three months after the ESMA decision to implement the checks and will be communicated to you separately.

2. Checks related to the fields PrdctId1, PrdctId2, Venue of Execution and Underlying

2.1. Checks of the field Taxonomy

2.1.1. If the field is populated with the value 'U', the message is rejected;

2.1.2. If the field is populated with the value 'I', then:

- If the field Venue of Execution is populated with the value 'XOFF' or a valid MIC recorded in the MIFID database Regulated Markets:

http://mifidatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display

or

recorded in the MIFID database MTF:

http://mifidatabase.esma.europa.eu/Index.aspx?sectionlinks_id=22&language=0&pageName=MTF_Display&subsection_id=0

the message is accepted;

Otherwise, the message is rejected.

2.1.3. If the field is populated with the value 'E', then:

- If the field Venue of Execution is populated with the value 'XOFF' or a valid MIC recorded in the MIFID database Regulated Markets:

http://mifidatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display

the message is rejected;

Otherwise, the message is accepted.

2.2. Check of the field Venue of Execution

If the field is populated with the value 'XXXX' or 'XOFF', the message is accepted;

Otherwise, if the field is populated with an MIC value non-compliant with ISO 15022, the message is rejected;

If the field is populated with an MIC value compliant with ISO 15022 then:

If the ISO country is non-EEA, the message is accepted;

If the ISO country is EEA, then:

If the field is populated with an MIC value

recorded in the MIFID database Regulated Markets:

http://mifidatabase.esma.europa.eu/Index.aspx?sectionlinks_id=23&language=0&pageName=REGULATED_MARKETS_Display

or recorded in the MIFID database MTF:

http://mifidatabase.esma.europa.eu/Index.aspx?sectionlinks_id=22&language=0&pageName=MTF_Display&subsection_id=0

the message is accepted; otherwise, the message is rejected;

2.3. Check of the field ProductID1

2.3.1. If the field Taxonomy is populated with the value 'I', then the field ProductID1 must be populated with an ISIN or Exchange Product Code. The code to be used is determined as follows:

- If the field Venue of Execution is populated with the value 'XOFF', the field ProductID1 must be populated with an ISIN.

- If the field Venue of Execution is populated with an MIC recorded in the MIFID database Regulated Markets (link above), the type of code (ISIN or All) to be used in the field Product ID1 is derived from the database, and used to validate the field. For markets with no identifier definition, the validation is the same as for All.
- If the field Venue of Execution is populated with an MIC recorded in the MIFID database MTF (link above), the field ProductID1 may be populated with an ISIN or All.
- If the field is populated with an All, the identifier length is validated: from 1 to 12 alphanumeric characters.
- If the field is populated with an ISIN, the identifier length is validated: exactly 12 alphanumeric characters, and the identifier control digit is validated (under ISO 6166).

2.3.2. If the field Taxonomy is populated with the value 'E', only the following values are allowed: "CO", "CR", "CU", "EQ", "IR" or "OT".

2.4. Check of the field Product ID 2

If the field Taxonomy is populated with the value 'I', the field ProductID2 must be populated with an CFI under ISO 10962. At least the first 2 digits of the code and the character which represents the class of instrument must be specified, i.e., 'X' is not allowed. It is the fourth character of the code for options (CFI starts with 'O') ; it is the third character of the code for futures (CFI starts with 'F').

If the field Taxonomy is populated with the value 'E', only the following values are allowed: "CD", "FR", "FU", "FW", "OP", "SW" or "OT".

2.5. Check of the field Underlying and **the new field Underlying type**

The fields Underlying and Underlying type are mandatory for all reports other than reports where the field Product ID1 is populated with 'CO', 'IR' or 'CU'. If it is populated with 'CO' or 'CU', then both fields must be blank.

If the field Underlying type is populated, the allowed values are:

- ✓ I - ISIN,
 - ✓ L- LEI,
 - ✓ B- Basket,
 - ✓ X-Index
 - ✓ N- Not available.
- If Underlying type is populated with the value 'L', then the field length (=20) and the control digit (under ISO 17442) are checked.
 - If Underlying type is populated with the value 'I', then the field length (=12) and the control digit (under ISO 6166) are checked.
 - If Underlying type is populated with the value 'B', then the field Underlying must be populated with the value 'B'.

- If Underlying type is populated with the value 'X', then the field Underlying must be populated with the value 'I'.
- If Underlying type is populated with the value 'N', then the field Underlying must be populated with the value 'NA' or blank.

3. Check of UTI (TradId)

- Up to 52 alphanumeric characters plus allowed special characters: ":", ".", "-", "_";
- For reports sent before the end of December 2015, the space is also allowed;
- Special characters cannot occur;

4. Check of Price Multiplier

Allowed value greater than zero.

5. Check of Quantity

For all AT other than C, allowed value greater than zero, for C – value greater than zero.

6. Check of Effective Date

Effective Date must be greater than or equal to the date in the field Execution Timestamp for all reports where Venue of Execution is populated with an MIC (i.e., other than 'XXXX' and 'XOFF').

7. Check of Termination Date

Termination Date must be greater than or equal to the date in the field Execution Timestamp and less than and equal to the Maturity Date (if any).

8. Check of Clearing Timestamp

The field is obligatory if the field Cleared='Y'; if populated, it must be greater than or equal to Execution Timestamp;

9. Check of CCP

The field is obligatory if the field Cleared='Y';

10. Section Interest Rates

- If the field ProductID1 is populated with the value 'IR', then at least one of the fields: Fixed rate of leg 1, Fixed rate of leg 2, Floating rate of leg 1, Floating rate of leg 2 must be populated;
- If at least one of the fields: Fixed rate of leg 1, Fixed rate of leg 2 is populated, then the fields: Fixed rate day count and Fixed leg payment frequency must be populated;
- If at least one of the fields: Floating rate of leg 1, Floating rate of leg 2 is populated, then the fields: Floating rate reset frequency and Floating leg payment frequency must be populated;

11. Section Foreign Exchange

If the field ProductID1 is populated with the value 'CU', the following fields must be populated:

- Currency2,
- Exchange rate 1 and/or Forward exchange rate,
- Exchange rate basis;

12. Section Commodities

12.1. If the field ProductID1 is populated with the value 'CO', the following fields must be populated:

- Commodity base – as per the dictionary,
- Commodity details – as per the dictionary;

12.2. If the field Commodity details is populated with the value 'NG' or 'EL', then the following fields must be populated:

- Load type,
- Delivery start date and time,
- Delivery end date and time,
- Contract capacity,
- Quantity Unit,
- Price/time interval quantities.

12.3. Delivery point or zone – if the field is populated, it must be populated with a code from the EIC Area Codes Y list published on the website:

https://www.entsoe.eu/fileadmin/user_upload/edi/library//eic/ars/area.htm

for a point of delivery within the EU.

13. Section Options

If the field ProductID2 is populated with the value 'OP' or CFI starting with 'O', then the following fields must be populated:

- Option type,
- Option style (exercise),
- Strike price.

14. Checks of data formats – negative values

Negative values can be reported in all of the following fields:

- Mark to market value of contract
- Price/ rate
- Notional amount
- Up-front payment
- Fixed rate of leg 1 (previously available functionality)
- Fixed rate of leg 2 (previously available functionality)
- Exchange rate 1
- Forward exchange rate

11. Modifications to reconciliation

11.1. Checking the LEI status before including a report in reconciliation

Only those reports are included in reconciliation which provide the correct LEI codes of the counterparties and the correct UTI. Identifiers are validated as follows:

- LEIs are validated against the LEI database. An LEI is considered valid if it has the status ISSUED, TRANSFERRED, PENDING TRANSFER, PENDING ARCHIVAL or LAPSED.
- LEIs are validated when the message enters the TR but LEI is revalidated daily when generating the reconciliation register; this way, all reports whose LEI status has changed may be included in reconciliation.

The modification will be implemented before the implementation of Level 2 validation.

11.2. Single-sided reports with non-EEA counterparty

Additional checks will be implemented for such reports.

If no pair is found for a report, the report status is set to WPAR (not included in reconciliation). If a report has been paired, the country of Other Counterparty is checked in the report from the other counterparty. If the field is populated with a non-EEA country code, the report status is set to YPAR but the comparison status shows the CPCT error "Incorrect value in field NonEEACtrPty".

11.3. Marking and excluding positions from reconciliation

Records defined as positions, i.e., trades where the field Compression is populated with the value 'Y' and the field CCP is populated with an LEI, or records after compression (after reporting AT=Z for a trade), are excluded from reconciliation.

11.4. New statuses of rcn messages

Further to the aforementioned modifications, rcn messages will use additional statuses to indicate trades excluded from the process because the LEI of a counterparty is invalid:

- Incorrect LEI 1 – status ERL1;
- Incorrect LEI 2 – status ERL2;

And incorrect identification of the other counterparty as non-EEA:

- Incorrect value in field NonEEACtrPty – status CPCT.

12. Appendices

1. Populating Messages
2. New TR message schemas
3. Dictionaries