

## NOTICE 08/17

**Date:** 06 April 2017

**Subject:** Transaction Reporting Service under MiFID II

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Bearing in mind the entry into force of MiFID II, scheduled for 3 January 2018, BME offers a Transaction Reporting Service to the Competent Authority available to Market Members, adapting it to new regulation rules.

The engagement of said service allows Market Members to authorize BME Exchanges to generate the files of their transactions according to the legislation, and to send them on their behalf to CNMV or to other European Competent Authority if applicable.

Service scope extends to the market trading activity carried out by Market Members acting on the Members' own account or for clients' account on the trading platforms of BME. With regard to the breakdown transactions of aggregated orders, BME Exchanges will offer a notification service via the ARM of BME.

Trading systems of BME Exchanges have a large part of the information required to make the Transaction Reporting, but some more extra information will need to be completed by Market Members.

Additional information will be the following:

- Client data base
  - It includes the necessary data to identify all holders associated to a client code. Every client can have a unique associated decision-maker and a unique transmission register.
- Investment Decision within Firm data base
  - It identifies all algorithms or natural person that, within the firm, can make the asset buying or selling decision for a third party or for the proprietary account of the member.
- Execution within the Firm data base
  - It identifies all algorithms or natural person that, within the firm, can execute the buy or the sale of an asset for a third party or for the proprietary account of the member.
- Investment Decision data base
  - It identifies the legal or natural person that decides the buy or sale of an asset for a third party (client). It is associated to the client register.
- Transmission chain data base
  - It identifies those cases where the order that led to transaction was communicated (according to article 4 of RTS 22) by an entity to another entity that finally executed the transaction. It is associated to the client register.

Transaction Reporting service engagement requires the necessary file format development to send the additional information for which the Market Member is responsible. This information will be collected through the notifications that members already make to exchanges and through the predefined plain text files.



BME will inform all transactions susceptible to being notified that have failed CNMV validation or that are incomplete to Market Members, the working day after the transaction date. To comply with notification obligations, member will be responsible for fulfilling necessary data so as to make sure registers are complete, adding registers if necessary and surpassing validation process.

BME will complete this information, technical specifications and fees, in the first half of May.