



# The upload of new data needed for audit trail (RTS24) on the spot market (Xetra) of BSE

Budapest Stock Exchange needs to collect several new information connected to orders, in order to comply with the requirements stated in RTS24 („Maintenance of relevant data relating to orders in financial instruments”).

These new data and the connected supplementary information have to be given in the new order fields of the Xetra trading system, which are the following:

- Client ID
- Executing Trader Indicator (can be filled solely on interface)
- Executing Trader (can be filled solely on interface)
- Investment Decision Indicator
- Investment Decision Maker
- Liquidity provision

In case of Client ID, Executing Trader, Investment Decision maker a so called short code is applied, because of which, there is no need to fill in the values required by MIFID (National ID, LEI code) in the trading system. On the other hand, members have to assign a numerical code (short code) to the data (considering that, there are fixed codes reserved by the Exchange) and this needs to be supplied during order submission in the trading system.

The data belonging to the short code (long code) must be sent to BSE outside the trading system.

BSE always displays the long code belonging to the short code in the audit trail report.

## Filling the new Xetra order fields

### 1. Client ID

The field can be filled with the following values:

- Short code (8 bytes positive integer higher than 9)
- Empty – no client order
- 1 – aggregated orders (AGGR)
- 2 – pending allocation (PNAL)

In case of order submission from Agent role (not prop trading), the field cannot be left empty (conditionally mandatory field). In lack of value order submission will be rejected.



If it is not a client order, the field must be left empty, however through certain Xetra interfaces '0' value is also valid.

In case of client orders, the field should be filled with the short code, or with the previously specified '1' or '2' values. If the client provides the '1' value in the field, then the order will be shown as aggregated order (AGGR) in the audit trail report. If it is filled with the value '2', then the applicable field of the audit trail report will be shown as pending allocation (PNAL).

Neither the aggregated order, nor the pending allocation status will be modified later on, in the system of BSE, therefore there is no need to record afterwards to who the order belonged to.

## **2. Executing Trader Indicator (can be filled solely on interface)**

Possible values of the field:

- 0 or empty – natural person is responsible for execution
- 1 – algorithm is responsible for execution

The appropriate filling of this field is quite important, as it specifies the filling of the „*Executing trader*” field.

Through Front-end (Jtrader, WebTrader, CEE Trader) it cannot be amended, in that case the default value is 0 or empty.

## **3. Executing Trader (can be filled solely on interface)**

Possible values of the field:

- Algorithm ID (8 bytes positive integer higher than 9) – algorithm is responsible for execution
- Short code (8 bytes positive integer higher than 9) – natural person is responsible who differs from the submitter trader
- Empty – submitter trader is responsible
- 3 – client is responsible

It cannot be filled in front end, the default value is empty.

If the value '1' is recorded in the “*Executing trader indicator*” field, then the “*Executing trader*” field can be filled only with the algorithm ID.

If the value '0' is recorded in the “*Executing trader indicator*” field or left empty, then members have to record the short code belonging to the natural person responsible for execution in the field.

Member may leave the field empty if the value '0' is recorded in the “*Executing trader indicator*” field or left empty, in which case the National ID of the trader, who submitted the order, will be recorded in the audit trail report.



BSE requires all members to send the National ID of all traders in advance, which will be assigned to the proper Trader ID, so the National ID of the order submitting trader will be known, without recording it separately during the order submission.

If the client is responsible for execution, the value '3' should be recorded. In this case the long code belonging to the short code (shown in the Client ID) will be recorded in the audit trail report. It is important that the fix value '3' works only in case of client order, where the short code is recorded (it does not work in case of 1- „AGGR” and 2- „PNAL” values). If the Client ID is filled incorrectly, or value '3' is recorded in case of prop trading, then the trader, who submits the order, will be shown as the person responsible for execution.

#### 4. Investment Decision Indicator

Possible values of the field:

- 1 – algorithm is responsible for the investment decision
- 2 – natural person is responsible for the investment decision
- 0 or empty – not applicable

In case of client order the field needs to be left empty (front-end), or it gets the fix '0' value (through certain Xetra interfaces '0' is also a valid value). Only exception if a member within the investment firm is responsible for execution when submitting client order (i.e. Client portfolio management). In this case this field can be filled with value of '1' or '2' as well.

The appropriate filling of this field is quite important, as it specifies the filling of the „*Investment decision maker*” field.

#### 5. Investment Decision Maker

Possible values of the field:

- Algorithm ID (8 bytes positive integer higher than 9)
- Short code (8 bytes positive integer higher than 9)
- Empty

If the „*investment decision indicator*” was recorded with value '1', then this field can be recorded with the algorithmic ID only.

If the „*investment decision indicator*” was recorded with value '2', then members need to fill the short code, belonging to the natural person responsible for investment decision, in this field. Its function is identical with the function described under Client ID and Execution trader sections. If the investment decision maker field is left empty, then the trader, registered to the order submitting trader ID, is responsible.

If the „*Investment decision indicator*” was left empty, or was recorded with '0', then there is no need to fill the field, as the investment decision was not made within the organization of the member.



## 6. Liquidity Provision

Possible values of the field:

- 1 (through interface) or check box ticked – market maker activity
- Check box left empty – not market maker activity

In case of a market maker order, the check box needs to be ticked. If the order is not market maker order the check box needs to be left empty. Market making is possible solely in case of prop trading, according to MIFID II.



## Summary

### New fields for audit trail and their possible values

Client ID	Executing trader indicator	Executing trader	Investment decision indicator	Investment decision maker	Liquidity provision
Empty – no client order	<b>0 or empty</b> - natural person is responsible for execution	<b>Algorithm ID</b> (8 bytes integer higher than 9)	<b>1</b> - algorithm is responsible for investment decision	<b>Algorithm ID</b> (8 bytes integer higher than 9)	<b>Check box ticked</b> – market maker
<b>1</b> – aggregated orders (AGGR)	<b>1</b> - algorithm is responsible for execution	<b>Short code</b> (8 bytes integer higher than 9)	<b>2</b> - natural person is responsible for investment decision	<b>Short code</b> (8 bytes integer higher than 9)	<b>Check box left empty</b> - not market maker
<b>2</b> - pending allocation (PNAL)		<b>Empty</b>	<b>0 or Empty</b>	<b>Empty</b>	
<b>Short code</b> (8 bytes positive integer higher than 9)		<b>3</b>			

### When to fill the field? (technically)

Conditionally mandatory field: In case of client order (Agent) it cannot be left empty	Cannot be recorded on Front end, default value is 0, or empty Not mandatory field (can be left empty)	Cannot be recorded on Front end, has to be left empty by default If the order submitting trader is responsible for execution, can be left empty Conditionally mandatory field: if Executing Trader Indicator is 1 then it cannot be left empty	Not mandatory field	Conditionally mandatory field: if Investment Decision Indicator is 1 then it cannot be left empty	Not mandatory field (can be left empty)
--	--	--	---------------------	---	---



## Process of short code-long code submission (Xetra)

BSE, similarly to the solutions provided by other European trading systems, will use the possibility of applying the short code. When filling in the short code, members have to use the specific short code, which is sent to the exchange, along with the belonging long code, on a separate channel and maintained on a daily basis. The long code can be LEI code, if the client order can be assigned to a legal entity, or it can be National ID as well, if the client order can be assigned to a natural person. To sum up, if the short code is recorded by a member, then the long code belonging to the short code will be shown in the audit trail report (mapping process). It is important that the appropriate record of the long code is the responsibility of the exchange members in every case.

BSE will collect the short codes and the belonging long codes from members within the framework of an own solution, independently from WBG and DBAG, but in line with the solution they set up.

The exact specification of this process will be defined and communicated later on.

### Related documents

- Description of short code – long code upload populated by BSE
- Xetra 17.0 Release Description and Interface documents issued by DBAG
- CEESEG FIX specification and CEE Trader description issued by WBAG



## National client identifiers for natural persons to be used in transaction reports

ISO 3166	Country Name	1st priority identifier	2nd priority identifier	3rd priority identifier
AT	Austria	CONCAT		
BE	Belgium	Belgian National Number (Numéro de registre national — Rijksregisternummer)	CONCAT	
BG	Bulgaria	Bulgarian Personal Number	CONCAT	
CY	Cyprus	National Passport Number	CONCAT	
CZ	Czech Republic	National identification number (Rodné číslo)	Passport Number	CONCAT
DE	Germany	CONCAT		
DK	Denmark	Personal identity code 10 digits alphanumerical: DDDMMYYXXXX	CONCAT	
EE	Estonia	Estonian Personal Identification Code (Isikukood)		
ES	Spain	Tax identification number (Código de identificación fiscal)		
FI	Finland	Personal identity code	CONCAT	
FR	France	CONCAT		
GB	United Kingdom	UK National Insurance number	CONCAT	
GR	Greece	10 DSS digit investor share	CONCAT	
HR	Croatia	Personal Identification Number (OIB — Osobni identifikacijski broj)	CONCAT	
HU	Hungary	CONCAT		
IE	Ireland	CONCAT		
IS	Iceland	Personal Identity Code (Kennitala)		
IT	Italy	Fiscal code (Codice fiscale)		
LI	Liechtenstein	National Passport Number	National Identity Card Number	CONCAT
LT	Lithuania	Personal code (Asmens kodas)	National Passport Number	CONCAT
LU	Luxembourg	CONCAT		
LV	Latvia	Personal code (Personas kods)	CONCAT	
MT	Malta	National Identification Number	National Passport Number	
NL	Netherlands	National Passport Number	National identity card number	CONCAT
NO	Norway	11 digit personal id (Foedselsnummer)	CONCAT	
PL	Poland	National Identification Number (PESEL)	Tax Number (Numer identyfikacji podatkowej)	
PT	Portugal	Tax number (Número de Identificação Fiscal)	National Passport Number	CONCAT
RO	Romania	National Identification Number (Cod Numeric Personal)	National Passport Number	CONCAT
SE	Sweden	Personal identity number	CONCAT	
SI	Slovenia	Personal Identification Number (EMŠO: Enotna Matična Številka Občana)	CONCAT	
SK	Slovakia	Personal number (Rodné číslo)	National Passport Number	CONCAT
<b>All other countries</b>		<b>National Passport Number</b>	<b>CONCAT</b>	