



Commission de Surveillance du Secteur Financier

TAF Handbook

Version 2019.2

17.07.2019

repeals and replaces version 2019.1 as of 21.09.2019

Change History

Version	Date	Comments
2018.1	20.02.2018	Initial version
2019.1	29.04.2019	Restructuring of the document, addition of some clarifications regarding the feedback files, addition of several specific validation rules of type LUX, deletion of details relating to the transitional phase
2019.2	17.07.2019	Update due to ESMA Maintenance release scheduled for 23 September 2019, modification of the corrective action for LUX-005 following a joint decision at ESMA level, replacement of error message LUX-004 by FIL-107

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1 Introduction

Article 26 of Regulation N° 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments (hereafter, “MiFIR”) contains the obligation for investment firms which execute transactions in financial instruments to report complete and accurate details of such transactions to the competent authority (CA).

The purpose of transaction reporting is to provide CAs with information about transactions. It aims at providing a representation of the transaction that informs the CA about all relevant circumstances under which the transaction took place.

As foreseen by the third subparagraph of Article 26(9) of MiFIR and, in order to ensure consistency in the standards and formats used, the Commission, based on drafts prepared by ESMA, adopted the Commission Delegated Regulation (EU) 2017/590 of 28 July 2016 with regard to regulatory technical standards for the reporting of transactions to competent authorities (hereafter, “Commission Delegated Regulation (EU) 2017/590”).

Further guidance in relation to transaction reporting is provided by ESMA’s Guidelines on transaction reporting, order record keeping and clock synchronisation under MiFID II transposed in Luxembourg via Circular CSSF 17/674, ESMA’s Technical reporting instructions on the MiFIR transaction reporting and their annexes (Data validation rules, Message schemes).

1.1 Reporting obligations

MiFIR and the obligation to report transactions included therein came into force on 3 January 2018.

As required by Article 26 MiFIR, investment firms and credit institutions executing transactions in financial instruments and trading venue operators whose members are not themselves subject to that Regulation are required to report the executed transactions to their competent authority.

Transaction reports are among the sources of information that form the basis of market surveillance carried out by the CSSF and its counterparts at European level and it is therefore extremely important to ensure a high level of quality. The reporting entities should therefore have methods and arrangements to ensure that accurate, complete and reliable transaction reports are submitted to the competent authorities.

1.2 Objectives of this document

This document describes the transaction reporting principles to be used by investment firms, market operators and approved reporting mechanisms (ARMs) in order to report transactions to the CSSF as the National Competent Authority (NCA) for Luxembourg.

In this document, the term “Investment Firm (IF)” is used to refer to any entity required to submit transaction reports.

The information detailed herein relates to:

- Technical overview of the reporting system
- TAF naming convention
- CSSF procession principles
- Description of the validation rules

1.3 Useful links / reference documents

Date	Reference	Document	Auteur
		MiFIR reporting instructions	ESMA
01.12.2017	Circular CSSF 17/674 (in English) Circular CSSF 17/674 (in French)	ESMA Guidelines on transaction reporting and order record keeping pursuant to Regulation (EU) No 600/2014 on markets in financial instruments (“MiFIR”) and clock synchronisation pursuant to Directive 2014/65/EU on markets in financial instruments (“MiFID II”) and details on transaction reporting on financial instruments under MiFIR	CSSF
07.08.2017	ESMA/2016/1452	Guidelines Transaction reporting, order record keeping and clock synchronisation under MiFID II	ESMA
15.06.2018	ESMA65-8-2356	MiFIR Transaction Reporting Technical Reporting Instructions	ESMA
15.06.2018	ESMA65-8-2594	Transaction Reporting Validation Rules	ESMA
15.06.2018	ESMA65-8-2598	Transaction Reporting XML Schema	ESMA
29.05.2018	ESMA65-8-4678	MiFIR Reporting Instructions Log of Changes	ESMA

2 TAF reporting principles

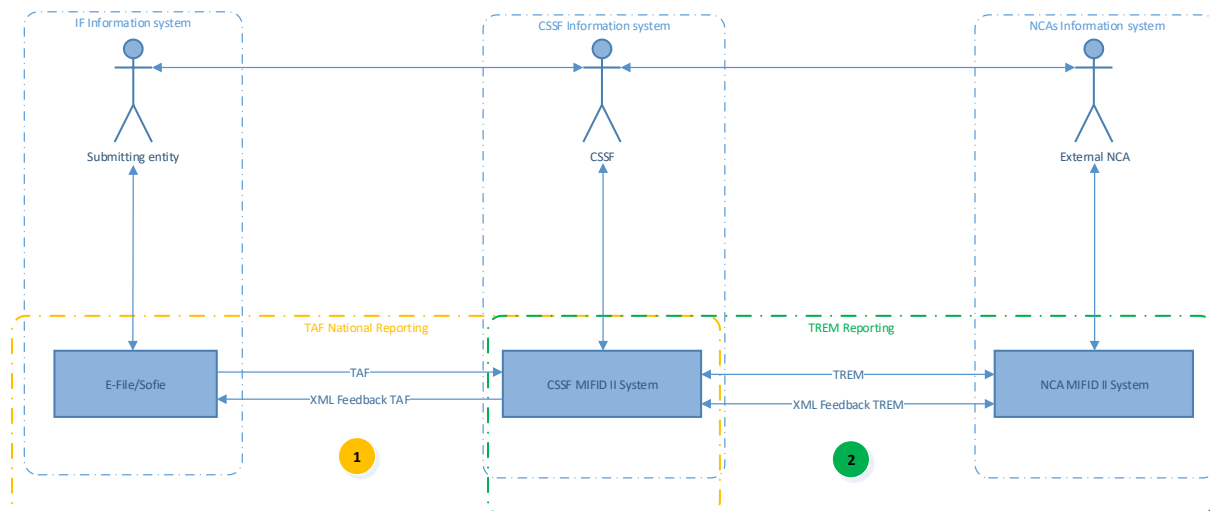
2.1 Transactions to be reported

Please refer to the [Commission Delegated Regulation \(EU\) 2017/590](#) and [Circular CSSF 17/674](#), which provide details about the obligation to report transactions on financial instruments under MiFIR.

2.2 Overall reporting process

The CSSF’s information system collects and routs data using encrypted XML files. IFs that report transactions on financial instruments to the CSSF must submit their transaction reports (TAF reporting) via an official transmission channel accepted by the CSSF (see section 2.5 Reporting channels within this note)❶.

MiFIR requires EU Member States to exchange relevant transaction reporting data. The CSSF’s information system is part of a European network of competent authorities that will use TREM (Transactions Reporting Exchange Mechanism) in order to route these reports to other competent authorities❷.



2.3 Reporting time frame

The transaction report must be submitted to the CSSF no later than 23:59:59 UTC of the working day after which the transaction has been executed (T+1). Timely submission must be respected regardless of whether the reports are submitted by the executing IF, by an ARM acting on its behalf, or by the Trading Venue through whose system the transaction was completed. Accordingly, it is IFs’ responsibility to communicate any relevant information to the Trading Venue or ARM reporting on their behalf in due time. To ensure timely submission and data correctness, IFs can submit more than one reporting file per day.

The following table summarises the deadlines for the key events in the process:

Notation	Task	Deadline
T	Transaction execution	
R	Submission of transaction reports by executing entity	T+1 working day
	Provision of feedback to the reporting entities	R+1 calendar day Maximum of R+7 in case of instruments missing in reference data : - R+1 calendar day for the initial feedback - Daily feedback files as from R+1 in case of status changes (from PDNG to ACPT or RJCT)
	Correction of errors by reporting entities	As soon as possible

2.4 TAF naming convention

TAF reporting file format is fully aligned with ESMA specifications (see section 1.3 Useful / reference documents for XSD schemes).

TAF reporting file must be encrypted with CSSF certificate through its communication channel.

All files must be submitted to the CSSF as per the following naming convention:

TAFREP-[Entity type + internal CSSF ref. number]-Date-SequenceNumber.xml

Where:

- TAFREP: name of the reporting
- Entity type: *ex. « B » for Banks, « P » for PSF* + Internal CSSF ref number: reference number assigned by the CSSF (the list of CSSF entity codes can be found on [CSSF Website](#))
⇒ **Entity type + CSSF reference number refers to the investment firm which executed the transaction to be reported**
- Date: file creation date (format yyyy-mm-dd)
- Sequence number: unique sequence number of 6 digits. This field is completed with 0 to fit to 6 characters (for example 000524).

Example:

"TAFREP-B00000001-2019-01-16-123456.xml"

2.5 Reporting channels

IFs are not allowed to submit their TAF files directly to the CSSF. To guarantee the full respect of their legal obligations, the reporting entities must go through an official transmission channel operator.

The official transmission channels are the following:

- E-file: exchange platform proposed by [Fundsquare](#)
- SOFiE SORT - ATLAS: exchange platform proposed by [Cetrel Securities S.A.](#)

IFs are allowed to delegate the generation and/or submission of transaction reports to an ARM (Approved Reporting Mechanisms). ARMs are required to use the services of the same official transmission channel operators as the IFs.

The reporting entity remains fully responsible for the delivery of files to the CSSF in due time and form. The reporting entity must ensure that the chosen reporting channel meets the requirements (contingency plan, appropriate intervention times, sufficient capacity) with respect to its legal obligations through the signing of an appropriate Service Level Agreement with its operator.

2.5.1 Procedures ID code

Technical ID codes for this procedure as agreed with official transmission channels are the following:

ID Procedure	Type	ID Document	Type
6000	TAF reporting exchange	6001	Reporting TAF - IN
		6002	Feedback Reporting TAF - OUT

2.5.2 Test platforms

Test platforms are available for sending entities to verify the TAFREP file transmission and feedback reception (FDBTAFREP). Sending entities wishing to use this service are invited to liaise with their respective official transmission channels.

IFs are not allowed to use the production environment to test their systems.

2.6 ARM specificities

The ARM identification is handled by the transmission channel through a dedicated CSSF identifier.

In order to obtain its CSSF identifier, the ARM must request an identifier by sending an e-mail to transactionreporting@cssf.lu. The requesting ARM must be inscribed in the [MiFID entities register](#) published by ESMA. When demanding an identifier, the ARM should provide the CSSF with at least two contact persons (business / IT) and a list of the client(s) for which it intends to submit transaction reports to the CSSF.

The ARM must submit a distinct transaction report file per entity on behalf of which it transmits the TAF reporting.

When generating the TAF reporting, the ARM must indicate its own Legal Entity Identifier (LEI code) in the field "SENDING ENTITY" of the Business Application Header (BAH).

2.7 Trading Venue specificities

The trading venue ("TV") identification is handled by the transmission channel through a dedicated CSSF identifier that the entity already has as a specialised PFS or an investment firm.

If the TV must submit transaction reports to the CSSF for members who do not fall under the supervision of the CSSF and who are therefore not included in our [register of supervised entities](#), the TV in question must request a CSSF identifier for this member by sending an e-mail to transactionreporting@cssf.lu.

The TV must submit a distinct transaction report file per entity on behalf of which it transmits the TAF reporting.

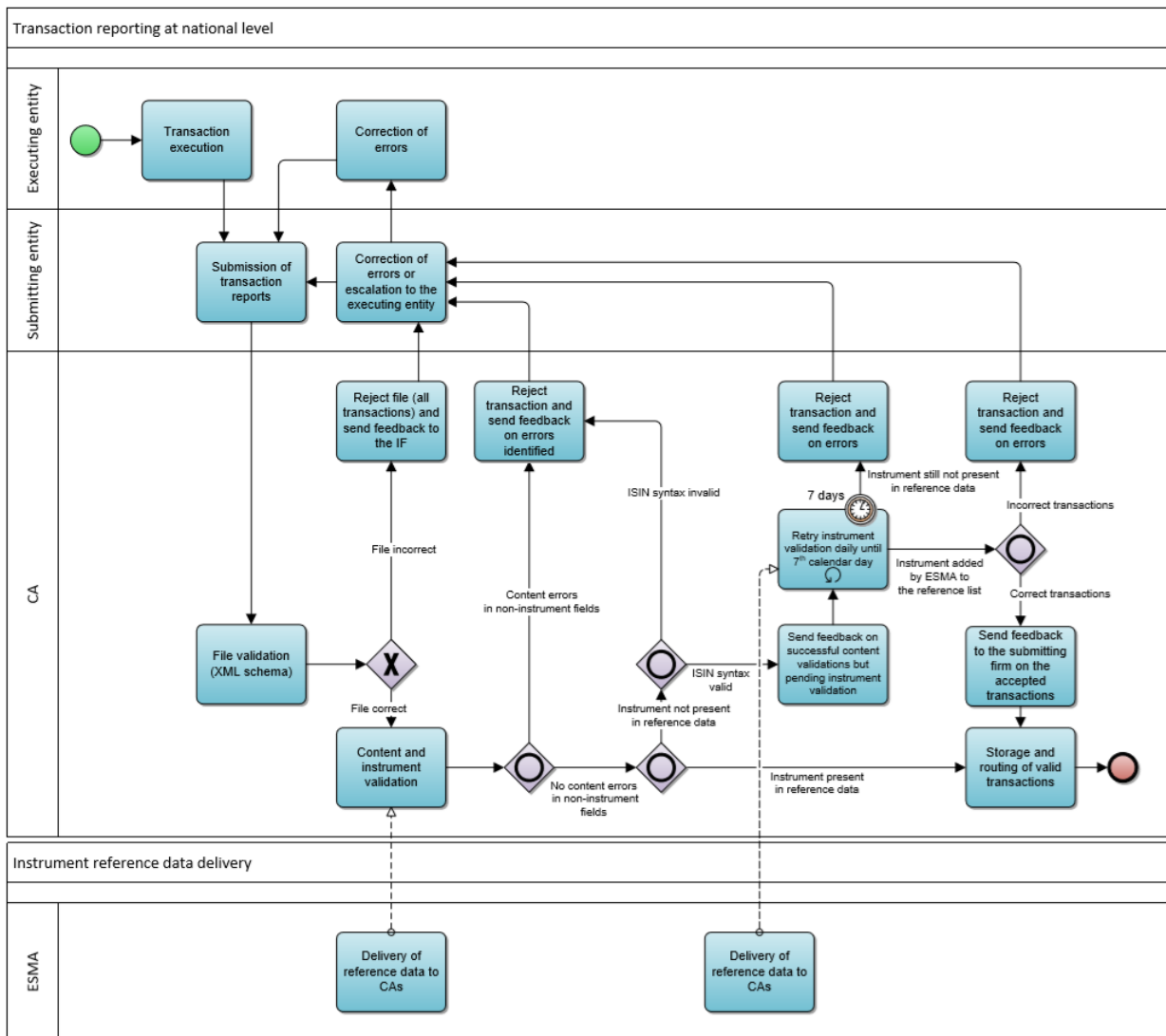
When generating the TAF reporting, the TV operator must indicate its own Legal Entity Identifier (LEI code) in the field "SENDING ENTITY" of the Business Application Header (BAH).

3 CSSF processing principles

The CSSF's information system collects all the encrypted transaction reports submitted by the IFs. For the submitter to monitor both transmission correctness and data quality, a feedback file is systematically generated and sent by the CSSF in response to each TAF file received.

Within the CSSF, the TAF file is processed as follows:

- File decryption using the corresponding LuxTrust keys (CSSF certificate)
- Data format control (validation against the XML schemes and code lookups in a reference database)
- Validation rules control (content validation on every transaction reported)
- Loading of transaction data into the CSSF database
- Generation of the feedback file, gathering results from validation and loading
- Publication of the encrypted feedback file (based on the [xml schemes](#) published on ESMA website)
- Transmission of relevant declarations to other members of the TREM network (the relevant competent authorities)



The incoming reports go through a set of mandatory and harmonised validation rules.

Any report that does not comply with the validation rules is automatically rejected by the CSSF. The respective rejection codes and reasons are indicated in the dedicated feedback file.

3.1 Technical validation of the TAF file

The incoming report is first subject to a file validation to verify its compliance with the XML schemes.

The [applicable XML Schemes](#) should be used to report transaction data in the production environment.

In case of file error, the entire TAF reporting (i.e. all transaction reports included in the file) is rejected by the CSSF. The feedback file indicates the respective rejection codes (FIL-XXX) and reasons for every rejected transaction report included in the TAF file.

The entire TAF file must be corrected by the reporting entity and resubmitted to the CSSF.

Please find hereafter a list of potential technical error messages and their appropriate corrective action:

Control	Error Reference	Error Message	Corrective action
Validate that the ISO 20022 Message Identifier in the BAH (*.xsd) is valid.	FIL-104	The ISO 20022 Message Identifier in the BAH must refer to the latest schema approved.	Correct the Message Identifier according to the latest XSD schema.
Validate that the file received fits the corresponding XML schema.	FIL-105	The file structure does not correspond to the XML schema: [result of XML validation]	Check the result of the validation, it should correspond to formats defined in the xml schemes
Validate that the same filename has not already been used by the sending entity.	FIL-107	File <Filename> has already been submitted once.	Send the TAF file following the instructions in the Handbook (incrementing of the sequence number for each new file sent).

Regarding error code FIL-105, it has to be noted that this error type includes a wide range of errors related to a single transaction report. The result of the XML validation is a list of errors per transaction generated by the XML parser. Due to the xml structure of the feedback file it is not possible to include all of them (the field "Desc" is limited to 350 characters).

3.2 Content validation of the TAF file

A set of validation rules are executed for each transaction report included in the TAF file, in order to verify the content of the specific fields. Incorrect transaction reports are rejected whereas correct transactions are processed in further steps. These validation rules include the ones related to the instrument reference data.

In case content errors arise during this process, the feedback file will indicate the respective rejection codes (CON-XXX) and reasons for every rejected transaction report from the TAF file.

These errors may be for instance: a trading date in the future, a duplicate record or an incorrect ISIN code. The list of error codes and messages is available on the [ESMA website](#).

Only transaction reports with execution date after 3rd of January 2018 at 00:00 (UTC) will be accepted under the MiFIR regulation.

3.3 CSSF specific validation rules of the TAF file

The content of the report must be compliant with CSSF specific validation rules.

In case of an error, the TAF file or the dedicated transaction is rejected by the CSSF. The feedback file indicates the respective rejection codes (LUX-XXX) and reasons for every rejected transaction report included in the TAF file.

3.3.1 File rejection

Please find hereafter the list of CSSF validation rules that lead to a file rejection in case of error:

Control	Error Reference	Error Message	Corrective action
Validate whether the reporting entity as mentioned in the file nomenclature [<i>Entity type + internal CSSF ref. number</i>] is authorised to send MiFIR reporting to the CSSF.	LUX-001	Your firm is not authorised to send this type of reporting.	Check if a request for admittance to reporting has been submitted to the CSSF before starting sending any file (section 2.2. of Circular CSSF 17/674).
Validate that the name of the transaction report corresponds to the	LUX-002	Filename not correct.	Change the filename in compliance with the official naming convention as stated in the Handbook ¹ .

¹ Refer to section 2.4 TAF naming convention

Control	Error Reference	Error Message	Corrective action
one specified by the CSSF.			
Validate that a valid LEI code for the submitting entity has been used in the field "From" in the BAH.	LUX-003	According to the information received on the basis of CSSF Circular 17/674, the submitting entity cited in the FROM field of the BAH is not authorised to send us transaction reports for the entity mentioned in the file name.	Enter a valid LEI code in the BAH.
Validate the structure and the uniqueness of the message identification.	LUX-006	The business message identifier is not correct.	Enter the LEI of the executing entity (whose CSSF code is also used in the report name) followed by a hyphen and a unique identifier per entity (14 characters alphanumeric).
Validate that the LEI cited in the Business Message Identifier field of the BAH corresponds to the executing entity whose CSSF code is also used in the report name.	LUX-007	The LEI code cited in the Business Message Identifier field of the BAH does not correspond to the LEI code of the company cited in the file name by its CSSF code.	Enter the LEI of the executing entity (whose CSSF code is also used in the report name) in the Business Message Identifier field of the BAH.
Validate that the file is addressed to the country code of the competent authority.	LUX-010	According to the FROM field in the BAH, your file is not addressed to the CSSF.	Enter LU as country code of the competent authority in the field FROM of the BAH.

3.3.2 Transaction rejection

Please find hereafter the list of CSSF validation rules that lead to a transaction rejection in case of error:

Control	Error Reference	Error Message	Corrective action
Validate that the Buyer/Seller Surname or Name is not left blank.	LUX-005	The Buyer/Seller Surname or Name must be populated and cannot be left blank.	Replace the blank by using "XXXXX"
Validate that the executing entity LEI code corresponds to the LEI code of the company cited in the file name by its CSSF code.	LUX-008	The executing entity LEI code does not correspond to the LEI code of the company cited in the file name by its CSSF code.	Ensure that the LEI code of the executing entity corresponds to the company cited in the file name by its CSSF code.
Validate that the submitting entity LEI code corresponds to the LEI code cited in the FROM field of the BAH.	LUX-009	The submitting entity LEI code does not correspond to the LEI code cited in the FROM field of the BAH.	Ensure that the LEI code of the submitting entity corresponds to the LEI code cited in the FROM field of the BAH.

3.4 Feedback files: naming convention

The format of the TAF feedback file is fully aligned with the ESMA specifications (see section 1.3 Useful / reference documents for XSD schemes).

A TAF feedback file is sent by the CSSF for each TAF reporting file received.

The TAF feedback file is encrypted using the sending entity or ARM certificate.

All files are generated by the CSSF as per the following naming convention:

FDBTAFREP-[Entity type + internal CSSF ref. number]-Date-SequenceNumber_Year.xml

Where:

- FDBTAFREP: name of the reporting
- Entity type: *ex.* « B » for Banks, « P » for PSF + Internal CSSF ref. number: reference number assigned by the CSSF (the list of CSSF entity codes can be found on [CSSF Website](#))
⇒ **Entity type + CSSF reference number refers to the investment firm which executes the transaction**
- Date: file creation date (format yyyy-mm-dd)

- Sequence number: unique sequence number of 6 digits. This field is completed with 0 to fit to 6 characters (for example 000524).
- Year: 2 digits field. It corresponds to the year during which the file is sent.

Example:

“FDBTAFREP-B00000001-2019-01-16-123457_19.xml”

3.5 Feedback files: explicit processing statuses

The CSSF reports an explicit status for each submitted transaction. As such, a detailed processing feedback is given transaction by transaction as of the first feedback file, regardless of whether the transaction report is in status received, pending, accepted or rejected.

Feedback status code	Transaction status	Scenario
ACPT	Accepted	The transaction report is compliant with all the validation rules.
PDNG	Pending	The transaction report cannot be validated due to missing instrument reference data.
RCVD	Received	The transaction report cannot be validated, in particular in case the transaction report was submitted on day T and the reference data is not yet available for this day (reference data for day T is provided on day T+1).
RJCT	Rejected	The transaction report is incorrect.

4 Reporting entities obligations

IFs are required to respect the following:

4.1 Provide high-quality data

4.1.1 Sequence number

Multiple files can be submitted on the same day, but the sequence numbers must be consistent with the chronological order of the reports created. The sequence number in the TAF name provides a clear order for files' processing. The IF is required to use an incremental numbering in order for the CSSF to correctly process the received reports. The sequencing is incremental (starting at 000001) and must restart at 000001 once the maximum limit (999999) is reached within a same day. No year-end change applies to the sequence numbering, as the date is already indicated in the TAF name.

4.1.2 Data quality

Submitting entities are strongly advised to use the XML schemes to generate and validate their files before submitting them to the CSSF.

Files must be validated against the XML schema provided by ESMA and available on their website. The section "XML format / XSD schema" of this document indicates the XML version to be used.

4.2 Review the feedback files and correct the rejected reports

IFs must ensure that all feedback files are properly analysed and that any rejected reports is corrected and resubmitted to the CSSF.

Feedback process is an automatic exchange between systems using official transmission channels. IFs must resend their corrected TAF files using the same automatic process (based on the official xml schemes).

This review must take place early enough to allow resubmission of any transaction reports previously in error within the time frame. The section 2.3 of this document indicates the reporting time frame.

No action is required from the submitting entity for transaction status RCVD or PDNG.

4.3 Cancel reported transactions

The transactions that have been accepted by the CSSF, as well as the ones remaining at status pending or received can be cancelled by the IFs. Rejected transaction cannot be cancelled.

A cancellation record contains a cancellation request of a transaction report which has already been submitted or which was included in the same transaction report file. In case an IF needs to cancel a previously submitted transaction report, the cancellation must be specified in the dedicated area of the xml.

Since transactions reports will be processed sequentially, it should be avoided to include a new transaction (correction) in the same file containing the cancellation of the transaction report.

It is strongly recommended to report new transactions and cancellation of the same transaction reports in two separate TAF files to avoid any problems related to the identification of the validation results in the feedback file. When a new report and its cancellation is sent in a same TAF file, this leads to the same transaction report identification code being indicated in the feedback file. In such case, it may be impossible for the IF to identify whether the feedback relates to the new report or to its cancellation.

5 Miscellaneous information

5.1 Contact information

In case of questions, IFs should contact CSSF GFD team which can be reached at the following e-mail address:

- E-mail: gfd@cssf.lu

5.2 SWIFT MyStandard

The MyStandardsReadinessPortal is available to reporting entities to support the testing of ISO 20022 XML messages. This tool enables the users to submit XML messages and check whether they are correctly formatted (i.e. compliant with the XML schema) and in compliance with the data quality rules.

<https://www2.swift.com/mystandards/#/>