

**COMMISSION de SURVEILLANCE
du SECTEUR FINANCIER**

OUTDATED

In case of discrepancies between the French and the English text, the French text shall prevail

Luxembourg, 23 July 2008

To all credit institutions and investment firms incorporated under Luxembourg law, to the Luxembourg branches of credit institutions and investment firms incorporated under foreign law, and to the operators of a regulated market authorised in Luxembourg

CIRCULAR CSSF 08/365

Re: Additional specifications relating to the requirement to report transactions in financial instruments in accordance with article 28 of the law of 13 July 2007 on markets in financial instruments

Ladies and Gentlemen,

We are pleased to follow up on Circular CSSF 07/302 of 17 July 2007 providing details on the requirement to report transactions in financial instruments in accordance with article 28 of the law of 13 July 2007 on markets in financial instruments (the “MiFID Law”). The purpose of Circular 08/365 is to provide additional details on the requirement to report transactions in derivative financial instruments admitted to trading on a regulated market of the European Economic Area and the identification of those derivative financial instruments to this end. In this context, please, also refer to the publication, on 26 October 2007, by the Committee of European Securities Regulators (“CESR”) of the document “New arrangements for the reporting of derivatives trades in accordance with MiFID” (Ref. CESR/07-627b) appended to this circular.

These details complete the measures described in Circular CSSF 07/302 and are related to:

- (I) the new arrangements for the requirement to report transactions in derivatives relating to instruments other than transferable securities (“**non-securities derivatives**”);
- (II) the implementation of a new code named “Alternative Instrument Identifier” in order to identify within the transaction reports, derivative instruments relating to transferable securities (“**securities derivatives**”) admitted to trading on a regulated derivatives market not using the ISIN code
- (III) The new derivatives transaction reporting regime has been worked out by CESR in close cooperation with the financial industry, in particular with the Federation of European Securities Exchanges. In this context, the specific characteristics of certain types of derivatives, the particular features of certain regulated derivatives markets and the requirements of the competent authorities as regards surveillance in this particular domain have been taken into consideration.. More precisely, the fact has been respected, that certain regulated derivatives markets do not use the ISIN codification and that the systematic allocation and use of the ISIN code to identify derivatives admitted to trading on these markets in the transactions reports could have created major technical difficulties and important additional costs for all parties involved.

(I) Transaction reports relating to non-securities derivatives

Article 28 of the MiFID Law on the requirement to report transactions only applies to transactions in financial instruments admitted to trading on a regulated market in the European Economic Area.

For the purpose of transaction reporting, the below-mentioned terms should be defined as follows:

- “**derivative instruments**”:
these are financial instruments belonging to the categories laid down in indents 4 to 10 of article 1(9) of the MiFID Law;
- “**securities derivatives**”:
these are derivative instruments whose direct or indirect underlying is one or several transferable securities as defined in article 1(19) of the MiFID Law;
- “**non-securities derivatives**”:
these are derivative instruments other than securities derivatives.

In agreement with the relevant competent authorities supervising EEA securities markets, non-securities derivatives regulated markets are directly responsible for reporting the transactions executed in their systems to the competent authority of their home Member State. They hence act as reporting system on behalf of their members and participants.

In the context of cooperation and exchange of information laid down in the MiFID Directive, the competent authority of the home Member State of a remote member of a non-securities derivatives regulated market or of a participant having remote access thereto, may obtain information on the transactions executed by the member or participant from the competent authority of the regulated market concerned.

Non-securities derivatives regulated markets authorised in Luxembourg thus report directly to the CSSF, in accordance with the arrangements and format defined by it, the details of the transactions executed in their systems by their members and participants, acting as reporting system on their behalf. At present, no non-securities derivatives regulated market has been authorised in Luxembourg.

Pursuant to article 28(5) of the MiFID Law and article 13(1) of Commission Regulation (EC) No 1287/2006 of 10 August 2006 implementing the MiFID Directive, credit institutions and investment firms executing transactions on a non-securities derivatives regulated market as a member or participant, acting for their own account or on behalf of clients, are henceforth exempted from reporting these transactions to the CSSF. This exemption also applies to credit institutions and investment firms executing transactions on a non-securities derivative regulated market as a remote member or participant having remote access thereto. These entities may nevertheless choose to report these transactions directly to the CSSF.

Moreover, credit institutions and investment firms which are or become remote members of a non-securities derivatives regulated market or participants having remote access thereto shall inform the CSSF in case they do not directly report to it the transactions executed on that market. The CSSF may thus take the necessary measures in order to obtain the details of these transactions from the competent authority of the market concerned.

The reporting exemption clause set out in this chapter does not apply to credit institutions and investment firms executing on a regulated market, transactions in financial instruments other than non-securities derivatives.

(II) Identification of securities derivatives in transaction reports

The Alternative Instrument Identifier code (AII) has been adopted as the alternative mode for the identification in transaction reports of securities derivatives admitted to trading on a regulated derivatives market where the ISIN code is not used.

The AII is composed of six elements that are derived from the *List of fields for reporting purposes in Luxembourg* appended as annexe 1 to Circular CSSF 07/302, i.e.:

1. **“Exchange Code”**:
code identifying the regulated market where the derivative instrument is admitted to trading, i.e. the “admission venue” (field 21. Venue identification¹);
2. **“Exchange Product Code”**:
specific code allocated by the admission venue and uniquely associated with the underlying instrument and other characteristics of the derivative contract (field 6. Instrument identification¹);
3. **“Derivative Type”**:
type of derivative instrument (field 12. Derivative type¹);
4. **“Put/Call Identifier”**:
type of option (cf. field 13. Put/call¹ specification);
5. **“Expiry/Delivery/Prompt Date”**:
maturity date (cf. field 11. Maturity date¹);
6. **“Strike Price”**:
strike price (cf. field 14. Strike price¹).

Each regulated market adopts a unique codification, either the ISIN code or the AII for certain regulated derivatives markets in order to identify the financial instruments admitted to trading on it. Further details on the ISIN or AII codification used by the different regulated markets are available on the list of regulated markets published by CESR under <http://mifiddatabase.cesr.eu> accessible via the website www.cssf.lu, under the heading “Legal reporting/TAF/MiFID Reporting”.

Any regulated market authorised in Luxembourg must submit for approval to the CSSF, the choice of the identification code (ISIN or AII) regarding the instruments admitted to trading on it.

In their transaction reports to the CSSF, credit institutions and investment firms must identify securities derivatives by using the ISIN code or the AII, according to the

¹ cf. Appendix 1 of Circular CSSF 07/302

codification used by the regulated market that admits derivative instruments to trading. It should be kept in mind that, when reporting to the CSSF transactions in financial instruments other than securities derivatives, credit institutions and investment firms must indicate the ISIN code of these instruments if provided.

The technical modalities as regards the implementation of the AII format in the transaction reports on securities derivatives are specified in the updated version of the “*Recueil d’instructions TAF-Electronic Reporting Instructions*” available on the CSSF website, section “Legal reporting / TAF/MiFID reporting”.

Credit institutions and investment firms are granted an extension of time until **30 November 2008** to arrange the technical adjustments of their systems in order to implement the AII in the transaction reports to be sent to the CSSF. This deadline is also specified in the updated version of the above-mentioned *Recueil d’instructions*.

Yours sincerely,

COMMISSION DE SURVEILLANCE DU SECTEUR FINANCIER

Simone DELCOURT
Director

Arthur PHILIPPE
Director

Jean-Nicolas SCHAUS
Director General

APPENDIX

“New arrangements for the reporting of derivatives trades in accordance with MiFID”
(Ref.: CESR/07-627b)



Date: 26 October 2007

Ref.: CESR/07-627b

Public Statement

NEW ARRANGEMENTS FOR THE REPORTING OF DERIVATIVES TRADES IN ACCORDANCE WITH MIFID

Background

MiFID extends transaction reporting to new types of instruments which have different characteristics from shares and bonds. This is in particular the case with commodities derivatives and other similar instruments. These differences are reflected both in the business with these instruments as well as in the supervision of the business. It emerged in discussions with the industry that there would be major technical issues and cost implications in extending the new MiFID transaction reporting framework in the same way to securities and security-based derivatives and non-securities derivatives.

CESR has indicated its preference for the use of international standards in transaction reporting. ISIN code is the only widely used international standard for the identification of securities. CESR members therefore decided to use it in the exchange of transaction reports among themselves. After the decision it emerged that while there is wide agreement on the use of ISIN codes for cash products the picture is more diverse in the derivatives markets. Some derivatives markets already use ISIN codes while other derivatives markets face great difficulties in adapting them. The difficulties are not limited to exchanges only, but extend to the financial industry as a whole.

New arrangements

After having conducted a public consultation in January 2007¹, CESR has discussed these issues at length with the industry and in particular with an industry coalition led by FESE the Federation of European Securities Exchanges². As a result of these discussions and other work CESR has decided to adopt the following special features in the framework for the exchange of transaction reporting under MiFID commonly now known as TREM (Transaction Reporting Exchange Mechanism).

1. New arrangements will be created for the reporting of non-securities derivatives in accordance with the MiFID. These arrangements will take into account the characteristics of the business in these instruments as well as the supervisory needs of CESR members.
2. An alternative way is introduced for the identification of securities derivatives on some derivatives markets. The new identification is based on a number of fields rather than a single identifier, but in order to facilitate communication they are commonly called the Alternative Instrument Identified or AII for short.

These arrangements will be reflected in reporting by investment firms since reporting by firms must be compatible with TREM in order for the new European transaction reporting framework to function.

¹ Responses to the consultation are published on CESR Web Site.

² The list of the organisations which have cooperated on this dossier includes: the European Association of Cooperative Banks (EACB), the European Association of Savings Banks (ESBG), the European Banking Federation (EBF), the Federation of European Securities Exchanges (FESE), member associations of the MiFID Connect, Zentraler Kreditausschuss (ZKA), as well as individual banks with major transaction reporting involvement which are members of one or more of these associations. See attached letter from the Federation of European Exchanges.



Reporting of non-securities derivatives

In this context securities derivatives are defined as derivatives that have shares, bonds or similar securities directly or indirectly as underlying. Other derivatives are non-securities derivatives. These other derivatives have previously been referred to as commodities but actually include other derivative types that do not have shares, bonds or other similar instruments as underlying e.g. interest rate and foreign exchange rate derivatives.

Reporting of transactions in all securities and derivatives is only required under the MiFID where the financial instrument in question has been admitted to trading on a regulated market, but Member States may request reporting for other instruments too.

The market operators for the non-securities derivatives regulated markets will undertake to report trading on their markets to the local regulator. They will thereby act as an alternative reporting channel for local exchange members. Remote members have to inform in advance their local regulator on their intention to commence (or continue in case of existing members)] trading in a non-securities derivatives exchange. The regulator then has access to transaction reports through the other regulator.

In order to foster competition and not to create a new concentration rule at the level of transaction reporting firms can still elect to report directly to their local regulator if they so wish. Where this occurs, exchanges should not charge firms a transaction reporting fee.

CESR members will include these arrangements in their transaction reporting regulations and guidelines. They will inform locally on the practical implementation of this new framework for the reporting on non-securities derivatives.

The Alternative Instrument Identifier

The AII is defined as a combination of the following constituents that are derived from fields in Annex 1 of the level 2 MiFID regulation.

Exchange Code
Exchange Product Code
Derivative Type
Put/Call Identifier
Expiry/Delivery/Prompt Date
Strike Price

The Exchange Code identifies the regulated market, the Product Code is the regulated market specific code that identifies a product traded on that market and the remaining fields are needed in order to differentiate one instrument from similar instruments traded on the same regulated market with the same Product Code.

Each individual instrument will be identified either with an ISIN code or with the AII depending on the regulated market. CESR members will agree with their local regulated markets on a market by market basis which code the instruments in a particular market will use. Investment firms will have to report using the chosen identifier in all EEA countries.

It will not be possible to implement the AII in full use in all EEA countries on 1 November this year. CESR members will therefore inform locally on provisional measures and the timetable for the full implementation of the AII.

Review of the arrangements

CESR will review these arrangements in three years time or earlier if needed e.g. because of changes in the MiFID or its implementing measures.

Eddy Wymeersch
Chair
Committee of European Securities Regulators (CESR)
11-13 Avenue de Friedland
75008 Paris

Brussels, 7 September 2007

Dear Mr. Wymeersch,

On behalf of the members of the Federation of European Securities Exchanges (FESE), and with the support of the Industry Coalition (*please see below*), I am writing to you to express **the commitment of our members to an alternative methodology to identify derivative instruments for the purposes of transaction reports as required by MiFID**, which is the outcome of discussions we have had with representatives of the CESR Tech Committee and Secretariat since February 2007. I understand that the CESR Tech Committee will be discussing this issue for a final time before requesting the final approval of CESR Chairs on 13 September. We look forward to the satisfactory finalisation of this issue so that the industry can start implementing the new regime as soon as possible.

As you know, FESE has been coordinating the work of a group of trade bodies and organisations ('Industry Coalition'¹) from a broad cross-section of the European financial services community with the purpose of finding a suitable methodology to identify derivative instruments in the context of transaction reporting mandated by MiFID Article 25. In the first stage, our discussions focussed on whether the ISIN Code could be used for all derivatives, as was proposed by CESR. We were happy to see that CESR Chairs supported our arguments regarding the unsuitability of ISINs for certain markets where the code is not used.

We firmly believe that, if ISINs were to be mandated for all equity and debt related derivative instruments by option series and futures settlement dates admitted to trading on EU regulated markets, the implementation of MiFID transaction reporting requirements would have been in disarray for the foreseeable future. This is due to the fundamental characteristics and costs of the ISIN allocation model that until now has not been used for anything remotely resembling the mandated ISIN proposal. If a solution had not been found, the allocation of ISINs to the hundreds of thousands of derivative instruments already existing across Europe would have created the need for an unprecedented reference data project that some members of our Coalition think borders on the impossible, would have been simply unachievable within the next 18 months, and would have led to an immense net cost for the banks, investment firms, exchanges and users.

In the latter stage of our discussions, we have cooperated on developing an alternative methodology for those markets that do not use ISINs. To this end, the Industry Coalition submitted to CESR elements of a proposed alternative instrument identifier before the May 2007 meeting of the CESR Chairs, which led to the decision that all existing options be reviewed for comparison. Thus, prior to the July meeting of CESR Chairs, we submitted additional information on the compared costs and benefits of CESR's original and revised proposals and the industry's proposal. Following this last meeting, we have met with the representatives of CESR Tech and Secretariat and have

¹ The list of the organisations which have cooperated on this dossier includes: the European Association of Cooperative Banks (EACB), the European Association of Savings Banks (ESBG), the European Banking Federation (EBF), the Federation of European Securities Exchanges (FESE), member associations of the MiFID Connect, Zentraler Kreditausschuss (ZKA), as well as individual banks with major transaction reporting involvement which are members of one or more of these associations.

also had several conference calls with the purpose of agreeing on the content of a potential alternative instrument identifier. Following the proposal of the CESR Secretariat made to us in July, which was based on a set of elements partially different from our original proposal but similar in terms of the basic logic and objectives, **we have reached a common agreement on the contents of the Alternative Instrument Identifier.**

Therefore, I hereby confirm our support for the **Alternative Instrument Identifier (All)**, which will consist of a subset of the fields described in Annex 1, for derivatives admitted to trading on a number of Regulated Markets. The All will be used for specific markets based on an agreement between the market and the home competent authority of the market. This is notwithstanding the fact that, as we understand, further discussions will determine whether non-securities derivatives will be subject to the same regime. Moreover, it is implicit that while being supportive of the possibility of an alternative method, a number FESE Members operate RMs that will rely on the ISIN code to identify the derivative instruments on their markets.

We realise that transaction reports together with the reference data are necessary for the transaction reporting system to work. In this context, all Regulated Markets represented by FESE also acknowledge their obligation to provide their competent authorities with reference data for all instruments admitted to trading as described in Annex 2 and 3 to this letter in accordance with Article 11 in Level 2 MiFID Regulation and subject to the right of a competent authority to waive certain requirements established in the last sentence of Article 11. Furthermore, we commit ourselves to delivering the requested reference data as soon as technically possible and will exert our best efforts to deliver such data no later than in six months from the finalisation of the specifications by the competent authorities (unless prevented by exceptional circumstances).

We believe that the All will guarantee the stable uniqueness of the identification of individual instruments in the long run for all products covered, and we confirm to the best of our knowledge that the data fields for the All are (for the most part) readily available for all parties concerned.

To underpin this proposed methodology, we include a set of annexes based on our discussions, as follows:

- *Annex 1 – the Alternative Instrument Identifier (All) as discussed with CESR;*
- *Annex 2 – Reference data;*
- *Annex 3 – Model XML Schemes, which should act as an optional model in cases where there is no existing working data flow between a market and the regulator.*

FESE is sincerely grateful to all CESR staff and Members for the open and constructive cooperation during this process which has allowed us to find a solution that we believe will serve CESR members' objectives while minimising the burden on the industry and market users.

Please do not hesitate to let me know if I can be of any assistance.

Yours sincerely,



Jukka Ruuska,

President

Copy:

European Commission

European Association of Cooperative Banks (EACB)

European Association of Savings Banks (ESBG)

European Banking Federation (EBF)

MiFID Connect

Zentraler Kreditausschuss (ZKA)

Annex 1 – the Alternative Instrument Identifier (AII)

Exchange Code – this is the four character MIC code of the regulated market that admits the derivative to trading. This element of the code is described in field 21 (venue identification) of Annex 1 of the MiFID level II text.

Exchange Product Code – this is a code maintained by the derivative exchanges and is freely and generally available to all parties. It is between one and 12 characters in length and is uniquely associated with a particular underlying instrument and settlement type and other characteristics of the contract. This element of the code is described in field 6 of Annex 1. This proposal will necessitate use of Instrument Code Type (field 7). The regulated markets will supply the reference data, including underlying ISIN, that are uniquely associated with the combination of MIC and exchange product code.

Derivative Type – This is a single character field identifying whether the instrument is an option or a future. This element of the code is described in field 12 of Annex 1.

Put/Call Identifier – This is a single character field identifying whether the option (if it is an option) is a put or a call. This element of the code is described in field 13 of Annex 1.

Expiry/Delivery/Prompt Date – This element of the code is described in field 11 of Annex 1.

Strike Price – This element of the code is described in field 14 of Annex 1.

These elements are used instead of an ISIN code to identify an instrument in transaction reports and they collectively constitute the Alternative Instrument Identifier for an instrument.

The reference format for the Alternative Instrument Identifier is the following:

Data element	Maximum length	Format
Exchange Code	4 characters	Will always be 4 characters (ISO MIC code)
Exchange Product Code	12 characters	Up to 12 alphanumeric chars, no space padding
Derivative Type	1 character	Always 1 alpha character
Put/Call Identifier	1 character	Always 1 alpha character
Expiry/Delivery/Prompt Date	YYYY-MM-DD	Always 10 alphanumeric chars (including separators), conforms to ISO 8601
Strike Price	19 characters	Up to 19 numeric characters including up to five decimals with a point (ASCII character 46) as the decimal separator and without any leading or trailing zeros

Annex 2 – Reference data

1.0 Introduction

Article 11 of Commission Regulation (EC) No 1287/2006 (which relates to Article 25(3) of Directive 2004/39/EC) requires each Regulated Market to submit reference data on each financial instrument (as defined in Annex I, Section C of MiFID) admitted to trading in an electronic and standardised format to its home competent authority. This document details each element of reference data that Regulated Markets have to provide to the competent authorities. Please note that CESR and FESE are currently working on a number of outstanding issues related to the list below. However, the list broadly represents the content of data that has been discussed and agreed between CESR and FESE.

Authorities will liaise with all the Regulated Markets in the EEA to organise the provision of reference data at the local level. All Regulated Markets should be able to provide the required data. CESR will propose a format (XML) to its members and advise them to use this format if no other format is already in place and the members do not have any other requirement.

It should also be noted that CESR requires the full set of reference data to be delivered before trading commences in that particular instrument, or, in the case of instruments admitted on an intraday basis (e.g. some derivatives), by the start of the following business day. CESR also requires the reference data to be updated whenever there are changes to the data with respect to an instrument.

Since the reference data set is provided by the Regulated Market, it is assumed that the identification of the market (using a MIC Code) is in the header of the file.

2.0 Reference Data Standards for Annex 1 fields

2.1 Instrument ISIN

CESR has two ways to identify the instruments– the ISIN (for cash instruments and for selected derivative instruments) and the alternative instrument identifier (for selected derivative instruments).

The ISIN should be used for all cash instruments admitted to trading on a regulated market. The ISIN will also be the sole instrument identifier for derivatives on certain exchanges. For the purposes of this requirement, the term “**derivatives**” excludes warrants, certificates or ETFs.

If the derivative exchange uses only the alternative instrument identifier, this field is not provided. All other instruments on all other exchanges must be identified by an ISIN.

2.2 Exchange Product Code (or Contract Code)

This is a code maintained by the derivative exchanges and is freely and generally available to all parties. It is between one and 12 characters in length and is uniquely associated with a particular contract. It identifies uniquely the contract of the derivative instrument. Exchange product codes for obsolete contracts should not be re-used by the individual derivative markets.

This data element is only required for derivative contracts that do not use the ISIN.

2.3 Instrument Name

The instrument name should give a good indication of the issuer and the particulars of each instrument – for example 'Fiat s.p.a. 4.5% bond 2010', 'Vodafone plc common stock.' 'DAX Index October 2008 7900 Call Option'. An instrument name is required for all instruments on all exchanges.

2.4 Underlying Instrument Identification

The underlying ISIN for all derivatives must be identified for all single stock equity and debt derivatives (including warrants). Derivatives based on commodities, interest rates, forex, indices and baskets that do not have ISIN for the underlying can be left blank., For cash instruments, the field will be left blank.

2.5 Instrument Type

For each cash instrument, the ISO 10962 CFI code should be used as the instrument type to identify each instrument admitted to trading on a regulated market.

For cash instruments that do not have a CFI code (we understand that instruments on markets within a number of jurisdictions are not currently allocated a CFI code), the RM should at least supply a one character code that would be the equivalent to the first character of the CFI code. The Coding scheme is as follows:

Equities	-	E	
Debt Instruments	-	D	
Entitlements (Rights)	-	R	(NB: this category includes warrants)
Options	-	O	
Futures	-	F	
Others	-	M	(We wouldn't expect this category to be used)

For derivative instruments that are identified by an ISIN, the full ISO 10962 CFI code should also be used as the instrument type to identify each instrument admitted to trading on a regulated market.

For instruments identified using the alternative instrument identifier, the derivative type should consist of a single character 'O' to identify options or options on a future, or 'F' to identify a future. These instruments would also require the following reference data to be identified:

Put/call identifier: A single character 'C' should be used to identify a call, and a single character 'P' should be used to identify a put.

Settlement type: For option contracts should have a single character identifying whether the following settlement types:

- American A

- European E
- Other X

2.6 Maturity Date / Exercise Date / Delivery Date

CESR requires the maturity date of a bond or other form of securitised debt, or the exercise date / maturity date of a derivative contract. The format of this data should be the ISO 8601 Date Format standard YYYY-MM-DD. Perpetual bonds should have the date populated as 9999-12-31.

2.7 Strike Price

A numeric field, up to 19 characters, with the possibility of decimal representation should be used to identify the strike price of an option or other financial instrument. The strike price should be expressed in the major currency (eg Euros rather than cents). This is only relevant for options and warrants.

2.8 Strike Price Currency Code

The 3-character ISO 4217 currency code indicating the currency of the option or warrant strike price.

This field will be left blank where a currency does not exist for the strike price. The use of market's common currency will be allowed.

2.9 Price Multiplier / Index Points Value

A numeric field, up to 19 characters, with the possibility of decimal representation, should be used to identify the number of units of the financial instrument in question which are contained in a single trading lot; for example, the number of derivatives or securities represented by one contract.

If the instrument is a derivative based on an index and the index is traded in points of index. The field should contain the numeric value corresponding to the price of 1 point of index. For example, an index may be quoted as 1000, but has a point value of 3 (which should be the value in this field). This implies that the true index value is 3000 rather than 1000.

Price multiplier is required for all instruments. Whilst we expect all cash instruments to have a multiplier of 1, there is a possibility that new cash instruments may have a different value.

2.10 Date of Admittance to Trading

In order to route data to the relevant competent authority, CESR requires the date on which each cash instrument was first admitted to trading on each particular regulated market.

The date should be sent in the ISO 8601 date format standard YYYY-MM-DD. For existing issues where the date has not been recorded, the field will be left blank.

It is recognised that some exchanges may have some difficulty in discovering the date of admittance to trading for certain numbers. In such cases, it is envisaged that FESE members and CESR would collaborate to discover the data required to determine an instrument's RCA for routing.

2.11 Country of Registered Office

For debt and money market instruments admitted to trading on a regulated market, CESR requires the country of registered office [or place of incorporation] of the ultimate parent of the issuer to be identified. For most debt instruments, the 'ultimate parent' will be the issuer itself as it will not be a subsidiary. The ISO 3166 two character country code should be used to identify the country of registered office.

It is recognised that some exchanges may have some difficulty in discovering the country of registered office or a company's ultimate parent. In such cases, it is envisaged that FESE members and CESR would collaborate to discover the data required to determine an instrument's RCA for routing.

2.12 Country of Index (Derivative)

For index derivatives, CESR requires the country of the constituents to be identified, but only if all the constituents trade on markets regulated in one particular country. The ISO 3166 two character country code should be used to identify this country.

For example, derivatives on the CAC 40 should have 'FR' (France) identified as the country of index, but derivatives based on the Euro-Stoxx Index need not have a country of index populated.

Business rules

Nature of instrument	Cash	ISIN Derivative RM	All derivative RM
Instrument Identification ISIN	Mandatory	Mandatory	Not Applicable
Contract Code	N/A	not applicable	Mandatory
Instrument Name	Mandatory	Mandatory	Mandatory
Underlying Instrument Identification	Only required for warrants	Mandatory for all single stock equity and debt derivatives	
Instrument Type	Mandatory (CFI – or CFI substitute for instruments in a number of jurisdictions)	Mandatory (CFI)	Mandatory (call/put, derivative type, settlement mode)
Maturity Date	Mandatory (for bonds) N/A otherwise	Mandatory	
Strike Price	Only required for warrants	Mandatory	
Strike Price Currency Code	Only required for warrants	Mandatory	
Price Multiplier Index Point Value	Mandatory (usually '1')	Mandatory (if relevant)	
Date Of Admittance	Only required for equities	not applicable	
Registered Office Country	Mandatory for debt and	not applicable	

	money market instruments	
Index Country	N/A	Mandatory for index derivatives (where all constituents trade on markets on regulated markets in one country)

Annex 3 – Model XML Schemes

```
<?xml version="1.0" encoding="UTF-8"?>
<xs:schema xmlns:xs="http://www.w3.org/2001/XMLSchema" elementFormDefault="qualified"
attributeFormDefault="unqualified">
    <xs:include schemaLocation="RMInstrumentsRecordType.xsd"/>
    <!--
*****
FINANCIAL INSTRUMENT RECORD
```

Root element of the schema. There must be at least one of these elements per XML file. It is composed by 13 sub-elements, all of them are optional.

RMInstrumentIdentificationRecord: described in RMInstrumentsRecordType.xsd

Plus five attributes:

- MarketCode(MIC Code): ISO 10383 MIC - Format 4(x)
- AuthorityKey: ISO 3166 country code alpha-2. Length: 2 characters.
- CreationDate: Mandatory date in ISO 8601 extended format (YYYY-MM-DD).
- CreationTime: Mandatory time in extended ISO 8601 HH:MM:SS format.
- CreationTimeOffset: Mandatory ISO 8601 Time Zone Offset. Format: SHH max 12 h, where S is the sign (+ or -) and HH the number of hours.

```
*****
-->
<xs:element name="RMFinancialInstrumentRecord">
    <xs:annotation>
        <xs:documentation>RM Financial Instrument Record Type</xs:documentation>
    </xs:annotation>
    <xs:complexType>
        <xs:sequence>
            <xs:element name="RMInstrumentIdentificationRecord"
type="RMInstrumentIdentificationRecordCompleteDescription" maxOccurs="unbounded"/>
        </xs:sequence>
        <xs:attribute name="MarketCode" type="MarketCodeType" use="required"/>
        <xs:attribute name="AuthorityKey" type="CountryCodeType" use="required"/>
        <xs:attribute name="CreationDate" type="xs:date" use="required"/>
        <xs:attribute name="CreationTime" type="xs:time" use="required"/>
        <xs:attribute name="CreationTimeOffset" type="TimeOffsetType" use="required"/>
    </xs:complexType>
```

```
</xs:element>
</xs:schema>
```

```
<?xml version="1.0" encoding="UTF-8"?>
<xs:schema xmlns:xs="http://www.w3.org/2001/XMLSchema" elementFormDefault="qualified"
attributeFormDefault="unqualified">
```

```
<!--
```

```
*****
```

COMPLEX TYPES

RMInstrumentIdentificationRecordCompleteDescriptionType:

RMInstrumentIdentification: complex type described below.

InstrumentIdentificationISIN: ISO 6166 - International Securities

Identification Number (ISIN). Format: 2 alpha characters followed
by 9 alphanumeric characters and 1 digit (control). Optional.

ContractCode: Exchange Product Code. Between 1 and 12 characters in length. Optional.

InstrumentName: Full Name of the instrument. Mandatory element.

UnderlyingInstrumentIdentification: ISO 6166 - International Securities

Identification Number (ISIN). Format: 2 alpha characters followed
by 9 alphanumeric characters and 1 digit (control). Optional element.

InstrumentType: Optional element.

Choice element:

a) ISO 10962 - Classification of financial instrument (CFI).

b) Derivative Type ('O' - Option | 'F' - Future) + Put/Call Identifier ('C' - Call | 'P' - Put | 'F' - Future) + Settlement Type ('A' - American | 'E' - European | 'X' - Other)

MaturityDate: ISO 8601 Extended Date Format (YYYY-MM-DD).

The maturity date of a bond or other form of securitised debt,
or the exercise date/maturity date of a derivative contract.
Optional element.

StrikePrice: The strike price of an option or other financial instrument.

Optional element.

StrikePriceCurrencyCode: ISO 4217 - Currency Code. Format: 3 alpha

characters. Optional element.

PriceMultiplierIndexPointValue: The number of units of the financial instrument in question which are contained in a trading lot: for example, the number of derivatives or securities represented by one contract. mandatory element.

DateOfAdmittance: ISO 8601 Extended Date Format (YYYY-MM-DD). The date of admittance on the Market. Optional field.

RegisteredOfficeCountry: ISO 3166 Country Code alpha-2. For debt and money market instruments, the country of registered office of the ultimate parent of the issuer. Optional element.

IndexCountry: ISO 3166 Country Code alpha-2. For index derivatives, the country of constituents, only if the constituents are all admitted to trading in the same EEA country. Optional element.

-->

```
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```

```
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```

```
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```

```
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```

```
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```

```
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```

```
    <xs:element name="InstrumentType" type="InstrumentTypeType" minOccurs="0"/>
```

```
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```
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```

```
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```
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```

```
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```

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        <!--** InstrumentType** -->

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                <xs:choice>
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                    <xs:element name="DerInstrumentType"
type="DerInstrumentTypeType" minOccurs="0"/>
                </xs:choice>
            </xs:sequence>
        </xs:complexType>

        <!--** InstrumentType** -->

        <!--** DerInstrumentType** -->

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                <xs:element name="SetType" type="SetTypeType" />
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        </xs:complexType>

        <!--** DerInstrumentType** -->

```

<!--

SIMPLE TYPES

CountryCodeType: ISO 3166 Country Code alpha-2.

TimeOffsetType: ISO 8601 Time Zone Offset. Format: SHH max
12 h, where S is the sign (+ or -) and HH the number of hours.

InstrumentIdentificationType: ISO 6166 ISIN. Format: 2(a)9(x)1(n)

InstrumentNameType: Format 90(x)

CFIInstrumentTypeType: ISO 10962 - Classification of financial instrument (CFI)

StrikePriceType: Format: Max 19(d) and max 5 decimals numbers

StrikePriceCurrencyCodeType: ISO 4217 - Currency Code. Format: 3 alpha characters.

PriceMultiplierIndexPointValueType: Format: Max 19(d) and max 5 decimals numbers

MarketCodeType: ISO 10383 - Market Identifier Code (MIC)

-->

```
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h</xs:documentation>
  </xs:annotation>
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  </xs:annotation>
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  </xs:restriction>
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```

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  </xs:annotation>
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<xs:simpleType name="MarketCodeType">

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</xs:simpleType>
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    <xs:pattern value="[O|F]"/>
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  </xs:annotation>
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```

```
<xs:pattern value="[A|E|S|V|O]"/>
</xs:restriction>
</xs:simpleType>
</xs:schema>
```



The Chairman

Ref.: CESR/07-725

Jukka Ruuska
Federation of European Securities Exchanges
Avenue de Cortenbergh, 52
B-1000 Brussels
Belgium

Paris, 17th October 2007

Dear Mr. Ruuska,

The Committee of European Securities Regulators (CESR) received a letter from the Federation of European Securities Exchanges (FESE) on the 7th of September 2007 committing to an alternative methodology to identify derivative instruments for the purposes of transaction reports. FESE also acknowledged their obligation to provide their competent authorities with reference data for instruments admitting to trading on regulated markets.

I wish to inform you that the members of CESR have positively approved the use of the Alternative Instrument Identifier to identify derivative instruments on markets where the ISIN code is not used. However, this is under the provision that an additional field of information “nominal value of the debt instrument” (where relevant) be included in the reference data provided by the markets to their competent authorities. We noted that the Annex 3 of your letter contained the field, but it was missing from Annex 2. The addition of this field concludes the commitment from CESR’s point of view.

CESR wishes to express its gratefulness to FESE members, as well as the industry coalition, for the work which has been achieved in the past months in order to define this agreement and hope this cooperation will continue in the coming months in order to find a proper solution for the remaining technical details.

Yours sincerely,

Eddy Wymeersch