

Reporting on internalised settlement
-
Description of electronic reporting
Version 1.0.4 (11 December 2019)

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REVISION HISTORY

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1.0.0	3 May 2019	First version
1.0.1	13 May 2019	Corrected version
1.0.2	16 August 2019	Corrected version
1.0.3	19 November 2019	Clarification for zero reporting (Example 2, nothing to report)
1.0.4	11 December 2019	Additional clarification for zero reporting (ModuleCode, Example 2)

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1 Introduction

This description should be used in the context of reporting on internalised settlement as referred to in the Article 9(1) of CSDR [Regulation \(EU\) No 909/2014 of the European Parliament and of the Council](#). Settlement internalisers shall report to the competent authorities (CA) of their place of establishment on a quarterly basis the aggregated volume and value of all securities transactions that they settle outside securities settlement systems. CAs shall, without delay, transmit the information received to ESMA in accordance with:

- Article 9 of CSDR;
- [Commission Delegated Regulation \(EU\) 2017/391](#) ;
- [Commission Implementing Regulation \(EU\) 2017/393](#) ;
- [ESMA70-151-367 CSDR Guidelines on internalised settlement reporting](#).

The European Securities and Markets Authority (ESMA, <http://www.esma.europa.eu>) has also published technical guidance on electronic reporting.

The description of electronic reporting in connection of internalised settlement reporting is used for creating and submitting internalised settlement reporting information to FIN-FSA beginning with reporting on the reporting period Q3 2019, in the beginning of October 2019. The description highlights the special national requirements that are not included in ESMA's technical guidance.

The information must be reported in XML (Extensible Markup Language), in accordance with ESMA requirements. The reports submitted to FIN-FSA are to be created by the reporting entity's own means, based on the description issued.

2 Regularly reported information

Settlement internalisers should submit the reports on internalised settlement to the CA within ten (10) working days from the end of each quarter of a calendar year. The CAs have to then send the reports to ESMA.

The collection of data on internalised settlement will be performed by the FIN-FSA from the beginning of October 2019. The collection starts with Q3 2019 data. The collection of data for Q2 2019 can start in the same context or as soon as the reporting entity can ensure functioning of the structure and form of the report. The FIN-FSA will be collecting data from:

- Settlement Internalisers established and operating within the CA's jurisdiction, reporting their internalised settlement activity, including the activity of their branches in the CA's jurisdiction;
- Settlement Internalisers established in the CA's jurisdiction, reporting the internalised settlement activity of their branches operating in the jurisdiction of other CAs within the EU;
- The branches operating in the EU of Settlement Internalisers established outside the EU, reporting on their internalised settlement activity within the CA's

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jurisdiction (LEI code of SetIn head office should be used for providing information on their identification);

- Settlement Internalisers established within the CA's jurisdiction, reporting the internalised settlement activity of their non-EU branches in an aggregated report with the Settlement Internaliser country code of operation set to "TS" (i.e. Third-Country States).

The reports on internalised settlements provide detailed information on the aggregated volume and value of settlement instructions settled by settlement internalisers outside securities settlement systems, specifying, inter alia:

- Asset class (Type of financial instruments);
- Type of securities transactions;
- Type of clients;
- Issuer CSDs.

Scope of data to be reported by settlement internalisers, entities responsible for reporting to competent authorities, data reporting parameters and the process for the submission of internalised settlement reports is further specified in [ESMA70-151-367 CSDR Guidelines on internalised settlement reporting](#).

Changes affecting the reporting obligation must be separately notified to FIN-FSA.

3 Submission file

3.1 Structure of a submission file

The file submitted to FIN-FSA (submission file) must be compressed into a zip file which includes an encrypted XML-format envelope (meta data and basic identification data) and a zipped and encrypted XML-report, which includes the actual data. The package submitted to FIN-FSA can include several separate zipped submission files, or the zipped submission files can be compressed into a zip file to be submitted to FIN-FSA (see Figure 1.).

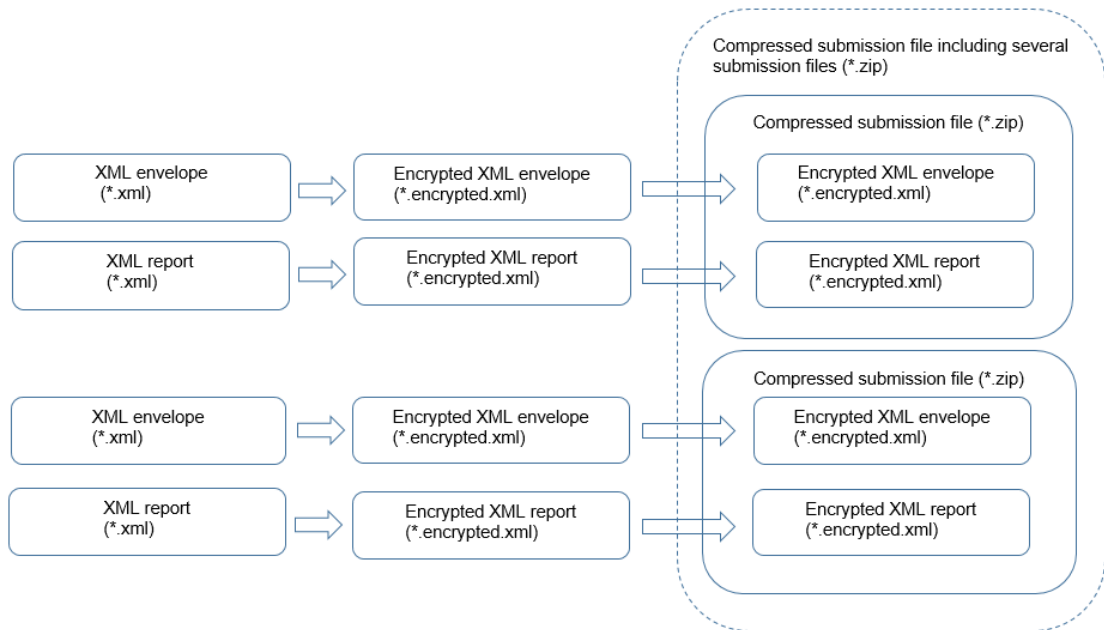


Figure 1. Structure of a submission file

3.2 Envelope

3.2.1 Structure of an envelope

In addition to the reports, which accord with the ESMA descriptions, FIN-FSA requires a separate XML envelope.

FIN-FSA's instructions on the XML envelope are partly based on the specifications by the CEN project, which is preparing the standardisation of reporting (http://cen.eurofiling.info/wp-content/uploads/data/CWA_XBRL_WI002-E.pdf). The envelope schema is available on FIN-FSA's website: [the envelope schema](#).

The abbreviations used in the CEN project are as follows:

- CEN: **Comité Européen de Normalisation / European Committee for Standardization**
- CWA: **CEN Workshop Agreement**

(source: <http://cen.eurofiling.info/>)

The envelope consists of the following parts:

- XML namespace specifications
- meta data specifications
- basic header specifications

3.2.2 XML namespace specifications

The name of the envelope begins with the schema instance specification and other namespace specifications, see chapter 3.2.1 Structure of an envelope.

Each XML file begins with an XML namespace specification. Namespaces are used to separate the concepts of different XML instances.

Example 1.

```
<?xml version="1.0" encoding="UTF-8"?>
<FivaStandardHeader
xmlns="http://www.finanssivalvonta.fi/Raportointi/xbrl/Documents/FivaStandardHeader"
xmlns:bh="http://www.eurofiling.info/eu/fr/esrs/Header/BasicHeader"
xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance">

    <!-- Contents -->
</FivaStandardHeader>
```

3.2.3 Meta data specifications

The envelope must include the following meta data:

- InstanceCreationDateTime (yyyy-mm-ddThh:mm:ss), e.g. 2015-01-07T16:22:00+02:00, GMT + 02:00); date, on which the submission file has been created by the reporting entity
- ReportingPeriod (yyyy-mm-dd), e.g. 2014-12-31
- ReportingEntityType [TK-tunnus¹, Y-tunnus, LEI, MFI; varchar(9))
- ReportingEntity (TK-tunnus, Y-tunnus², LEI, MFI; varchar(50))
- TypeOfReportingInstitution³ (nnn; varchar(9))
- ReportingApplicationName⁴ (varchar(80))
- ReportingApplicationVersion⁵ (varchar(40))
- ContactPersonFirstName (varchar(50))
- ContactPersonLastName varchar(50))
- ContactPersonEmail (varchar(100))
- ContactPersonTelephone (varchar(50))
- Comment (optional)
- TestFlag (production submission = false; test submission = true)
- Number of reporting files (NumberOfFiles; 0 = Nothing to report, optional)
- Module Code (ModuleCode; STT, to be used in combination with the field NumberOfFiles, optional)

¹ ID code provided by FIN-FSA for reporting purposes; 7-character figure.

² National Business ID; 8-character figure, entered without a hyphen separating the final control digit.

³ [Reporting institutions](#)

⁴ Name of reporting entity's own system.

⁵ Version of reporting entity's own system.

Example 2.

```

InstanceCreationDateTime>2015-01-07T16:22:00+02:00</InstanceCreationDateTime>
<ReportingPeriod>2014-12-31</ReportingPeriod>
<ReportingEntityType>TK-tunnus</ReportingEntityType>
<ReportingEntity>9999999</ReportingEntity>
<TypeOfReportingInstitution>354</TypeOfReportingInstitution>
<ReportingApplicationName>ApplicationX</ReportingApplicationName>
<ReportingApplicationVersion>1.0.0</ReportingApplicationVersion>
<ContactPersonFirstName>Tylle</ContactPersonFirstName>
<ContactPersonLastName>Testaaja</ContactPersonLastName>
<ContactPersonEmail>tylle.testaaja@fiva.fi</ContactPersonEmail>
<ContactPersonTelephone>+358-00 000 0000</ContactPersonTelephone>
<Comment>Revision123</Comment>
<TestFlag>>false</TestFlag>
<NumberOfFiles>0</NumberOfFiles>
<ModuleCode>STT</ModuleCode>
  
```

3.2.4 Basic header specifications

The BasicHeader includes the following data:

- ReportReferenceID = Free form technical identifier that describes the contents of the information (included in the submission container) which is to be submitted.
- FilePath = A report file's name (incl. the filename extension) without file directory name.

Example 3.

```

<BasicHeader>
  <bh:ReportDataContext>
    <bh:ReportReferenceID>REF 00001</bh:ReportReferenceID>
  </bh:ReportDataContext>
  <bh:File>
    <bh:FilePath>FILE_354_9999999_20181231.encrypted.xml</bh:FilePath>
  </bh:File>
</BasicHeader>
  
```

3.3 Report on internalised settlement

3.3.1 Structure of report

The reporting entity must ensure that the file fulfils the requirements for the form of the XML schema files and the content integrity requirements included in ESMA's technical reporting guidance.

- GUIDELINES ON INTERNALISED SETTLEMENT REPORTING UNDER ARTICLE 9 OF CSDR [ESMA70-151-1258](#).
- ESMA validationrules TECHNICAL GUIDANCE FOR SETTLEMENT INTERNALISERS – REPORT VALIDATION RULES (CSDR ARTICLE 9) [ESMA65-8-6251](#).

More detailed template descriptions based on the information content of the reporting obligation are available in www.ISO20022.org site [Message Definition Report - Part 2](#).

3.3.2 Schema files of reporting

The structure of the content of the report is described in the file BusinessDataHeaderV01.xsd, BusinessApplicationHeaderV01.xsd and FinancialInstrumentReportingStatusAdviceV01.xsd.

The data element specifications are described in the data type specification file SettlementInternaliserReportV01.xsd. Schema files can be found from ESMA's dedicated website on Internalised settlement reporting (see, [related XML files](#)). Example 4.

```

<?xml version="1.0" encoding="UTF-8"?>
<BizData
  xsi:schemaLocation="urn:iso:std:iso:20022:tech:xsd:head.003.001.01
head.003.001.01.xsd"
  xmlns="urn:iso:std:iso:20022:tech:xsd:head.003.001.01"
  xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance">
  <Hdr>
    <AppHdr
      xsi:schemaLocation="urn:iso:std:iso:20022:tech:xsd:head.001.001.01
head.001.001.01.xsd"
      xmlns="urn:iso:std:iso:20022:tech:xsd:head.001.001.01"
      xmlns:xsi="http://www.w3.org/2001/XMLSchema-instance">
      <Fr><OrgId><Id><OrgId><Othr><Id>FI</Id></Othr></OrgId></Id></OrgId></Fr>
      <To><OrgId><Id><OrgId><Othr><Id>CSDRS9</Id></Othr></OrgId></Id></OrgId></To>
<!--Tähän asti vakiomuotoista-->
      <BizMsgIdr>FI-LEI tms tunniste-2019-Q2 001</BizMsgIdr><!--Max 35-->
      <MsgDefIdr>auth.072.001.01</MsgDefIdr>
      <CreDt>2019-06-04T07:44:18Z</CreDt>
    </AppHdr>
  </Hdr>
  <Pyld>
  ...

```

4 Encryption and compression

The envelope report and the zip-compressed report must be encrypted before compression into a submission file (*.zip). For encryption, reporting entities can use the BOFCryptNxt program, which can be downloaded from the Jakelu Distribution Service. Encrypted files must have the file extension ".encrypted.xml".

5 File naming

The reported files should be named as follows:

- envelope
 - header_<module>_<typeofreportinginstitution>_<reportingentityId>_<period>.xml
- encrypted envelope
 - header_<module>_<typeofreportinginstitution>_<reportingentityId>_<period>.encrypted.xml

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- STT report
 - <module>_<typeofreportinginstitution>_<reportingentityId>_<period>.xml
- encrypted STT report
 - <module>_<typeofreportinginstitution>_<reportingentityId>_<period>.encrypted.xml
- submission file
 - container_<module>_<reportingentityId>_<period>.zip
- submission file including several submission files
 - <STT>_<id>.zip

The parts of the file names signify the following:

- | | |
|--------------------------------|--|
| • header: | ID of the envelope: <i>header</i> |
| • <module>: | STT report: <i>STT</i> |
| • <typeofreportinginstitution> | Type of reporting institution |
| • <reportingentityId>: | ID (LEI/TK-tunnus/Y-tunnus) |
| • <period>: | date of reported information (yyyymmdd) |
| • <container>: | ID of the submission file: <i>container</i> |
| • STT: | ID of a file containing several submission files: <i>STT</i> |
| • <id>: | free-form ID, e.g. consecutive number |

Mandatory restrictions:

File extensions:

- envelope: ".xml"
- XML report: ".xml"
- submission file: ".zip"

Name of encrypted envelope/ XML report:

- "[original name].encrypted.xml"
- maximum length 150 characters
- the name must be unique within the submission batch

6 Submission of the reported data to FIN-FSA

The submission file (zip) is submitted as an email attachment according to standard reporting protocol.

7 Further information

If you have any further inquiries, please send them to **STTHelpdesk[at]fiva.fi**.

ANNEX 1. Questions and answers (Q&A)

Question 1. Should issuer CSD country code be filled in the reports?

Potential confusion caused by the following references:

1. Final Report, Guidelines:

19. Competent authorities should ensure that settlement internalisers include the first two characters of the ISINs in the reports.

In accordance with Article 2(1) of the Commission Delegated Regulation (EU) 2017/391, the LEI of the Issuer CSD should also be filled in by the settlement internaliser; potentially, several Issuer CSDs could be included in relation to securities identified by the same two characters of the ISINs. **The Issuer CSD country code should not be filled in by the settlement internaliser, as it will be determined by the ESMA CSDR IT system.**

2. Technical Guidance:

'Issuer CSD' section: the following comment has been added in the CSDR9 derived message definition to further clarify the usage of this section

- Defines dataset relating to the combination between the first two characters of the ISIN and the LEI of the Issuer CSD (when provided). Each combination of the first two characters of the ISIN and the LEI should be unique.

'Issuer CSD' section - 'LEI' element: the following comment has been added in the CSDR9 derived message definition to further clarify the usage of this element

- The LEI code is used to identify the Issuer CSD. Although optional, if it is known, it should be provided.

'Issuer CSD' section - 'First Two Characters Instrument Identification' element: the following comment has been added in the CSDR9 derived message definition to further clarify the usage of this element

- If the instrument identifier is a valid ISIN or follows the ISIN format, the first two characters of the instrument identifier should be used. For financial instruments without an ISIN or ISIN formatted identifier, the 2 character code 'IC' should be used.

'Issuer CSD' section - 'Country' element: the following comment has been added in the CSDR9 derived message definition to further clarify the usage of this element

- **The country code is used for the identification of the Issuer CSD and must be provided only if the LEI of the Issuer CSD is also provided.**

Answer 1.

No. The Issuer CSD country code should not be filled in the reports, it will be generated automatically by the ESMA IT system based on the LEI of the Issuer CSD. This is in order to avoid any discrepancies between the two.

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Question 2.

Where to locate the EXCEPTION LIST for the CHARACTERS PAIRINGS from the first two characters of the ISIN code not in the ISO 3166 standard list? Looking at the universe of ISINs we can identify two character combinations that are not fulfilling the rule (XS and EU).

Reference: "Technical Guidance for Settlement Internalisers – Report Validation Rules" page 48 bullet 6.3 (validation rules):

The first two characters of the ISIN code <FrstTwoCharsInstrmId> of the financial instruments must be provided. The characters pairing must map to a valid ISO-3166-1 2- characters country code. This rule is not applied for character pairings that are explicitly set as exceptions by the ESMA IT Administrator.

Answer 2:

The reporting entity does not need to do the mapping. They just need to use the "XS" code. The ESMA IT system does the mapping in order to give access to the competent authorities (in the case of XS, both to the BE and LU authorities). it will be automatically generated by the ESMA IT system based on the LEI of the issuer CSD. This is in order to avoid any discrepancies between the two.

The system is by default configured with the following pairings (a relevant script is provided along with the release material):

- "EU"- "DE" (i.e. EU ISINs are accessible by Germany Competent Authority (CA) users)
- "XS"- "LU" (i.e. XS ISINs are accessible by Luxemburg CA users)
- "XS"- "BE" (i.e. EU ISINs are accessible by Belgium CA users)
- "CS"- "CZ" (i.e. CS ISINs are accessible by Czech CA users)
- "IC"-all EU countries (i.e. one record per EU country, so that all EU Member States to obtain access to XY financial instruments)

With respect to the 'TS' code, this code relates to the 'Branch Identification' code and not to the 'First Two Characters of the ISIN', and hence it is not configured through the 'Manage ISIN/Country code pairings' page. And by default users can submit reports of branches operating outside the EU with the 'Branch Identification' code as 'TS'; as per the specifications all reports that contain this code in the 'Branch Identification' element, are accessible by all CAs.