

BULGARIAN STOCK EXCHANGE AD

APA USER MANUAL

By BSE AD in the capacity of an Approved Publication Arrangement

9 October 2018

This Manual explains the structure and content of the transaction reports published as well as the electronic formats used

Introduction

The Markets in Financial Instruments Directive (MiFID II) requires all investment firms in the European Union to publish their over-the-counter (OTC) transactions in financial instruments. For each transaction executed outside a regulated market, the investment firm is required to publish, in addition to the price, size and time of the transaction, various other individual trading data. All that information is to be published as close to real time as possible. The requirement applies to all investment instruments referred to in Articles 20 and 21 of Regulation (EU) No 600/2014 (MiFIR). All investment firms which trade outside a regulated market, including systematic internalisers, are required to publish post trade reports via an Approved Publication Arrangement (APA). The APA should be certified by the national competent authority. The APA of BSE AD (APA BSE) is supervised by the Bulgarian Financial Supervision Commission.

APA BSE focuses on the publication of post-trade data. The APA does not offer pre-trade publication service as may be required for systematic internalisers. Deferred publication is not supported, either. All OTC transactions submitted to APA BSE are published immediately. OTC transaction reports must be submitted for all instruments transacted at a trading venue in the European Union. The list of these instruments is available in the Financial Instruments Reference Data System (FIRDS). The APA uses information from the FIRDS register in order to decide whether reporting is mandatory. Reports must be submitted for the following asset classes:

Table 1. Equity financial instruments as defined in Annex III of Delegated Regulation (EU) No 2017/587

Asset classes	MiFIR Identifier
Shares (as defined in Article 4(44)(a) of Directive 2014/65/EU)	„SHRS“
Depository receipts (as defined in Article 4(45) of Directive 2014/65/EU)	„DPRS“
Exchange-traded funds (ETFs) (as defined in Article 4(46) of Directive 2014/65/EU)	„ETFS“
Certificates (as defined in Article 2(1)(27) of Regulation (EU) No 600/2014)	„CRFT“
Other equity-like financial instruments , i.e. transferrable securities which are not shares, ETFs, depository receipts or certificates, but still are equity instruments of similar nature	„OTHR“

Table 2. Non-equity financial instruments as defined in Annex IV of Delegated Regulation (EU) No 2017/583

Asset classes	MiFIR Identifier
Securitised derivatives as defined in Table 4.1 in Section 4 of Annex III of Delegated Regulation (EU) No 2017/583	„SDRV“
Structured Finance Products (SFPs) as defined in Article 2(1)(28) of Regulation (EU) No 600/2014	„SFPS“
Bonds (for all bonds except exchange-traded commodities (ETCs) and exchange-traded notes (ETNs)) as defined in Article 4(1)(44)(b) of Directive 2014/65/EU	„BOND“

Exchange-traded commodities (ETCs) as defined in Article 4(1)(44)(b) of Directive 2014/65/EU and further specified in Table 2.4 of Section 2 of Annex III of Delegated Regulation (EU) No 2017/583	„ETCS“
Exchange-traded notes (ETNs) as defined in Article 4(1)(44)(b) of Directive 2014/65/EU and further specified in Table 2.4 of Section 2 of Annex III of Delegated Regulation (EU) No 2017/583	„ETNS“
Emission allowances as defined in Table 12.1 of Section 12 of Annex III of Delegated Regulation (EU) No 2017/583	„EMAL“
Derivative as defined in Annex I, Section C (4) to (10) of Directive 2014/65/EU	„DERV“

Publication interfaces

In the capacity of an Approved Publication Arrangement (APA), BSE AD provides to investment firms two interfaces which they can use to submit their transaction reports, namely a Graphic User Interface (GUI) and an Application Programming Interface (API). The GUI enables investment firms submit the information from their trade reports manually in a graphic environment. The API enables investment firms submit the information from their trade reports automatically through a direct interface to their software application(s).

These two interfaces can be used separately or concurrently. They are provided by a standard web-based HTTPs protocol. Each investment firm is identified in the APA information system by a unique profile and unique login credentials.

The Exchange will provide to investment firms access to its transaction reports publication system only after they successful pass connectivity tests in a simulated environment.

OTC transaction reporting fields

The data publication service will reject all reports which do not contain the following mandatory fields:

ISIN – International Security identification Number as defined in ISO 6166.

Asset classes – as listed in Tables 1 and 2.

Asset subclasses – applicable to and mandatory for derivatives.

Permitted values:

options, futures, forward interest rate agreements, forwards, swaps, portfolio swaps, swap-based futures, forward freight agreements, spread bets, contracts for differences, other.

Underlying asset classes – applicable to and mandatory for securitised derivatives and derivatives.

Permitted values:

interest rate, equity, commodity, credit, forex, emission allowances.

Trading date and time – date and time of execution of the transaction.

The service supports two ISO 8601 formats:

- UTC: YYYY-MM-DDThh: mm: ss.ddddddZ

- date/time including time zone: YYYY-MM-DDThh: mm: ss.dddddd ± hh: mm

The trading date and time cannot be set to a time point in the future.
The publication time is set automatically by the service.

Price – traded price of the transaction excluding, where applicable, commission and accrued interest. Decimal numbers up to 18 digits/up to 13 digits after the decimal separator. In case the price is expressed in monetary value, it must be expressed in the basic currency unit. “PNDG” if the price is not available at the time of reporting and will be determined later. The field must be left empty if price is not applicable. In these cases investment firms are required to publish the prices by amending the original report as soon as possible.

Price notation – indication as to whether the price is expressed in monetary value (MONE), in percentage (PERC), in basis points (BAPO), or in yield (YIEL).

Currency in which the price is expressed – as defined in ISO 4217. Mandatory only if the price is expressed in monetary value (cf. Price notation).

Quantity – indication of measurement units in which the quantity in measurement unit is expressed. Decimal numbers up to 18 digits/up to 17 digits after the decimal separator.

Notation of the quantity in measurement unit – indication of measurement units in which the quantity in measurement unit is expressed. Applicable to and mandatory for commodity derivatives, emission allowance derivatives and emission allowances.

Quantity in measurement units – the equivalent amount of commodity traded expressed in measurement unit. Applicable to and mandatory for commodity derivatives, emission allowance derivatives and emission allowances.

Notional amount – nominal amount or notional amount. This field is mandatory for the following asset classes: securitised derivatives (SDRV), structured finance products (SFPS), bonds (BOND), exchange-traded commodities (ETCS), exchange-traded notes (ETNS), emission allowances (EMAL) and derivative- (DERV).

For spread bets, the notional amount is the monetary value wagered per point movement in the underlying financial instrument.

For credit default swaps, it is the notional amount for which the protection is acquired or disposed of.

The information reported in this field must be consistent with the value provided in field ‘Price’. The field is mandatory for all asset classes except equity instruments.

Notional currency – nominal currency code as per ISO 4217. Applicable and mandatory when the ‘Notional amount’ field is used. Mandatory for the following asset classes: securitised derivatives (SDRV), structured finance products (SFPS), bonds (BOND), exchange-traded commodities (ETCS), exchange- traded notes (ETNS), emission allowances (EMAL) and derivative- (DERV).

Type – applicable to and mandatory for emission allowances

Permitted values:

EUAE, CERE, ERUE, EUAA or OTHR.

Transaction to be cleared – applicable to and mandatory for derivatives. Indicates whether the transaction will be cleared. Default state FALSE. Possible states: 'TRUE' and 'FALSE'.

Transaction identification code (TIC) – mandatory only for amended/cancelled reports. The amendment/cancellation of report will be rejected if the entered TIN is not generated by the APA.

List of flags for the purposes of post-trade transparency

BENC – Benchmark transaction flag.

Equity – all transactions executed at a price which is calculated over multiple time instances according to a given benchmark, such as average price weighted by volume or average price weighted by time;

Non-equity – all transactions executed at an average price weighted price and all other transactions where the price is calculated over multiple time instances according to a given benchmark.

ACTX – Agency cross transaction flag.

Transactions where an investment firm has brought together two or more clients' orders with the purchase and the sale conducted as one transaction and involving the same volume and price.

TNCP – Flags the transactions which do not contribute to the price formation process.

All types of transactions listed under Article 2 of Delegated Regulation (EU) 2017/587 and which do not contribute to the price formation for the purposes of Regulation (EU) 600/2014.

SDIV – Special dividend flag.

Transactions executed during a dividend payment period where the dividend or other form of profit distribution accrues to the buyer and not to the seller (or vice versa).

SIZE – Flag for transactions above the standard market size.

Equity – Transactions executed by a systematic internaliser where the size of the incoming order is above the standard market size in the meaning of Article 11 of Delegated Regulation (EU) 2017/587.

Non-equity – Transactions executed under deferred publication arrangements and which are of sizes specific to the instrument concerned. The APA does not accept the SIZE flag because deferred publication is not supported.

ILQD – Illiquid instrument transaction flag.

Equity – Transactions in illiquid instruments as defined in Articles 1 to 9 of Delegated Regulation (EU) 2017/567 and which are executed by a systematic internaliser.

Non-equity – Transactions executed under the arrangements for deferred publication of instruments for which there is not a liquid market.

RPRI – Flag for transactions executed at a better price.

Transactions executed by a systematic internaliser at a better price as per Article 15(2) of Regulation (EU) 600/2014.

TPAC – Package transaction flag.

Package transactions which are not exchange for physicals as defined in Article 1 Delegated Regulation (EU) 2017/583.

XFPH – Exchange for physicals transaction flag.

Exchange for physicals as defined in Article 1 Delegated Regulation (EU) 2017/583.

The APA will automatically apply a CANC and/or AMND flag once a report is cancelled or amended.

In accordance with the Questions and Answers published by the ESMA with regard to the transparency arrangements in MiFID II and MiFIR, the flags for OTC transactions reported to the APA can be combined as follows:

Flag combinations for equity instruments:

1) Descriptive flags:

BENC, ACTX, TNCP and SDIV. They can be combined with each other and with the flag in point 5. The NPFT flag is not applicable to the APA.

2) Post-trade deferral flag:

LRGS. Deferred publication is an option rather than an obligation, therefore the LRGS flag is used only where deferred publication is effectively applied. The APA does not accept the LRGS flag because deferred publication is not supported.

3) Pre-trade deferral flags:

RFPT, NLIQ, OILQ and PRIC are not applicable to the APA.

4) Algorithmic trading flag:

ALGO is not applicable to the APA.

5) Systematic internaliser flags:

SIZE, ILQD and RPRI. They can be combined with each other and with the flags in point 1.

6) APA reporting related flag:

DUPL. The APA service of BSE AD does not accept the DUPL flag. The service covers only original trade reports.

Flag combinations for non-equity instruments:

1) Descriptive flags:

BENC and ACTX. Descriptive flags can be combined with each other and with the flag in point 3. The NPFT flag is not applicable to the APA.

2) Post-trade deferral flags:

LRGS, ILIQ and SIZE. Deferred publication is an option rather than an obligation, therefore the LRGS flag is used only where deferred publication is effectively applied. The APA does not accept the LRGS flag because deferred publication is not supported.

3) Package transaction flags:

TPAC and XFPH. These flags cannot be used in a combination. They can be combined with the flags in point 1.

4) Supplementary deferral flags:

LMTF, DATE, VOLO, FWAF, IDAF, VOLW и COAF.

APA BSE does not accept these flags because deferred publication is not supported.

5) Full transaction details flags:

FULF, FULA, FULV and FULL. These flags are to be used after the expiration of the deferral period and where the publication of full transaction data is made on an individual basis. APA BSE does not accept these flags because deferred publication is not supported.

The publication process

1. The participants execute an OTC trade or a trade with a systematic internaliser.
2. The counterparties are responsible for determining which counterparty is required by Directive 2014/65/EU to publish a transparency report (publication).
The counterparty responsible must report the transaction via the APA. The deadlines for reporting by the counterparty are provided in the 'Data Publication' section below. All mandatory fields must be populated in the required format before the trade report can be submitted. The mandatory fields are described in the 'OTC transaction reporting fields' section above.
3. If the transaction is approved, the system returns a 'transaction approved' message to the participants. The transaction includes a unique identification code (TIC). The TIC must be entered in any subsequent communication with the APA related to the reported transaction (amendment/cancellation).
4. The approved transaction will be published automatically on the APA webpage of the BSE whereby the transaction will become public.
5. APA BSE does not support deferred publication.

All reports submitted to APA BSE are verified against the Financial Instruments Reference Data System (FIRDS) maintained by the ESMA. As soon as the ISIN is entered in the Web GUI, the system checks whether reporting to the APA is mandatory. APA BSE will accept reports for financial instruments which have been suspended from the market.

The data publication service performs automatic checks to identify any information which may be inaccurate.

The following price ranges apply to each request for publication of OTC trades in securities listed at the regulated markets organised by BSE AD:

1. For share issues: 30 (thirty) per cent of the last price;
2. For bond issues: 5 (five) per cent of the last price;
3. For issues of exchange-traded products: 20 (twenty) per cent of the last price;
4. For all other classes of financial instruments: 30 (thirty) per cent of the last price.

A single liquidity range will be applied to all of the above financial instruments where the transaction exceeds by 50 (fifty) per cent the monthly-average traded volume for the previous three months or for the period in which the instrument in question has been traded at a regulated market if that period is shorter than three months. A single quantitative range will also apply where the transaction involves more than 10 (ten) percent of the whole issue.

For each transaction with securities which are not listed at the regulated markets organised by BSE AD, checks will be made in the Financial Instruments Reference Data System (FIRDS) maintained by the ESMA (if the relevant data are available), or with a Consolidated Data Provider. The system will check whether the data reporting obligation applies to the submitted ISIN code. If the ISIN code is registered in the FIRDS, the published transaction report will be subject to the price, liquidity and quantitative ranges for the financial instruments traded at BSE AD. These ranges will be applied to the data in the FIRDS system.

The system will reject the publication of instruments which are not registered in the FIRDS.

Where the price, liquidity and quantitative parameters of a transaction breach the ranges described in this document, the system will automatically identify the report in question as potentially containing inaccurate information. In this case the system will issue an automatic notification to the investment firm which submitted the report and ask the firm to either amend or confirm the data in the report. After such amendment/confirmation is received, the Exchange will publish the report.

APA BSE may amend or delete data in a transaction report only in exceptional circumstances and if so requested by the entity which submitted the information where technical issues prevent render that entity unable to amend or delete the information itself.

Once the report is accepted, APA BSE will assign a unique transaction identification code (TIC). The user must enter the TIC in order to identify the report in the case of amendment or cancellation. The TIC is concatenation of the reporting date and the trade report ID, which is unique for each reporting date. The accepted report will be automatically sent for publication.

Please note that deferred publication of transactions is not supported.

Data Publication

APA BSE uses two channels for the dissemination of information which comes under the public disclosure obligation:

1. dedicated webpage;
2. machine readable format in accordance with Article 64(1) of Directive 2014/65/EU.

The machine readable information is published in XML format (so that it can be read directly and automatically by a computer), it is accessible and can be read, used and copied by computer software which is free and available to the public, and complies with the requirements set out in Regulation 2017/571.

Investment firms must submit for publication the reports on transactions with equity instruments (shares and equity-like instruments) as close to real time as technically possible and in any case within one minute after the execution of the relevant transaction.

Investment firms must submit for publication the reports on transactions with non-equity instruments as close to real time as technical possible and in any case:

- a) within 15 minutes after the execution of the relevant transaction from 3 January 2018 until 1 January 2020; and
- b) within 5 minutes after the execution of the relevant transaction after 1 January 2020.

APA BSE processes each transaction as close to real time as possible and in any case within 2 (two) seconds. The data are published immediately in a CSV file format.

Working hours

APA BSE operates in the time interval **7:30 – 18:30 UTC**.

The publication of reports on transactions with equity instruments must be in accordance with Article 14(2) of Delegated Regulation (EU) 2017/587. The publication of reports on transactions with non-equity instruments must be in accordance with Article 7(4) of Delegated Regulation (EU) 2017/583.

Service infrastructure and data storage

The OTC transaction data publication service is developed and maintained by BSE AD. The service is deployed on servers accommodated in the main and in the backup data centres of BSE AD. The two data centres feature redundant power supply, high security level and 24/7 access for maintenance.

BSE AD will notify its national competent authority (FSC) in case of a major modification of the service, disruption of the service or security breach. BSE AD will use its website to notify the public of any service interruption or security breach.

APA BSE stores all reported data for at least three years, and archives all the data which are no longer available through the service.

Additional information and contacts

For latest service updates please visit:

www.bse-sofia.bg.

For information and use of the data publication service please contact:

apa@bse-sofia.bg

For technical maintenance please contact:

it@bse-sofia.bg

Annex I:

WebGUI Graphic User Interface

The data publication service is available from the following address:

<https://www.bse-sofia.bg/apa-members-section>

WebGUI features:

- Form for manual input, amendment or cancellation of OTC transactions;

The form for manual input of OTC transactions displays automatically only the mandatory fields on the basis of the class/subclass of the assets and the class of the underlying assets.

Before an OTC transaction report is submitted, WebGUI will perform certain automatic verifications of the data and will display to the user all potential errors. The user will need to confirm these potential errors and reconfirm the OTC transaction report. All successfully submitted OTC transaction reports are displayed to the user in separate views.

List of the acronyms and abbreviations used in the present Manual:

1. 'Directive 2014/65/EU' – Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU;
2. 'Regulation (EU) 600/2014' – Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012;
3. 'Delegated Regulation (EU) 2017/571' – Commission Delegated Regulation (EU) 2017/571 of 2 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards on the authorisation, organisational requirements and the publication of transactions for data reporting services providers;
4. 'Delegated Regulation (EU) 2017/583' – Commission Delegated Regulation (EU) 2017/583 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of bonds, structured finance products, emission allowances and derivatives;
5. 'Delegated Regulation (EU) 2017/587' – Commission Delegated Regulation (EU) 2017/587 of 14 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards on transparency requirements for trading venues and investment firms in respect of shares, depositary receipts, exchange-traded funds, certificates and other similar financial instruments and on transaction execution obligations in respect of certain shares on a trading venue or by a systematic internaliser;
6. ESMA – European Securities and Markets Authority;
7. FSC – Financial Supervision Commission;
8. FIRDS – Financial Instruments Reference Data System maintained by the ESMA.