

File Exchange Service in Connection with Delegated Regulation (EU) 2017/580 (Audit Trail Data Exchange)

1. Introduction

This document describes the file exchange service used by the Bulgarian Stock Exchange (BSE) in connection with the regulations and requirements related to the Markets in Financial Instruments Directive (MiFID II) 2014/65EU and the Markets in Financial Instruments Regulation (MiFIR) 600/2014, as well as the related regulatory technical standards (RTS).

According to Article 25, Paragraph 2 of MiFIR and Delegated Regulation (EU) 2017/580 (RTS 24), the BSE must provide the competent authorities with information for each order entered in the trading system, using common standards and formats, regarding:

- The clients of the members of the exchange;
- The individual taking the investment decision in relation to the order that is entered;
- The individual responsible for executing the order.

2. Specifics of Order Entry in T7 in Connection with Delegated Regulation (EU) 2017/580

In relation with the described regulatory requirements, when entering each order in the trading system, exchange members must fill in the information described below, in connection with their clients and the individuals taking investment decisions. The requirement to report this information was introduced on 03.01.2018.

In the corresponding field when entering orders on behalf of a client in the Trading Platform, it is possible to enter arbitrarily selected numbers that need to meet the following requirements: maximum 19 digits, with a maximum number of 2⁶³-1.

- **Client Identifier(ClientID)** - a short code of the exchange member's client

The field contains the short code of the client of the exchange member - a natural person or legal entity. The code must be a whole positive number from 1 to 19 digits and is unique for the respective client of the exchange member. When it comes to a group (aggregated order), the AGGR indicator is used as the Client ID (the exchange member enters the number 1). When it comes to an upcoming allocation and the client is not known yet, the PNAL indicator is used (the number 2 is entered). In this regard, exchange members should not use the short codes 1 and 2 for purposes other than the described above.



- **Investment Identifier (InvID)** - a short code of a natural person or an algorithm that is responsible for the investment decision within the exchange member.

If an order is submitted on behalf of the exchange member, the fields for identifying the person or algorithm within the exchange member must be filled in. The possible scenarios for the investment decision within the exchange member are shown in Table 1 below:

Table 1

	Scenario	InvQual ¹ to be entered	InvID ² to be entered	Data for Financial Supervision Commission (FSC)
1	The order is for the member's own account. The decision is taken by an algorithm	ALGO	Algo ID	Algo ID
2a	The order is for the member's own account. The decision is taken by an individual other than the broker.	HUMAN	Short Code	National identification number of the natural person
2b	The order is for the member's own account. The decision is taken by the broker.	HUMAN	Not filled	National identification number of the broker
3	The order is for the member's own account.	Not filled	Not filled	National identification number of the broker

The remaining two mandatory fields for reporting according to Delegated Regulation (EU) 2017/580, ParticipantID and ExecutionID, will be assigned by the BSE in accordance with the existing information, respectively for the exchange member and for the exchange intermediary, who entered the order.

3. Short codes

In line with the practice of most regulated markets in the EU, the Bulgarian Stock Exchange (BSE) utilizes short codes for identification of clients of exchange members (Client ID) and identification of individuals making investment decisions for the respective orders (Inv ID). These codes are to be entered when submitting orders and must be unique to the exchange member in relation to clients and investment decision makers. This eliminates the need to re-register the same natural person when they act as a client of the investment intermediary for certain orders and an investment decision maker for others.

¹ Investment Qualifier

² Investment Identifier

The data from the short codes, entered when submitting an order will be linked to a national identification code for an individual, in accordance with Annex II of Delegated Regulation 2017/590, or a LEI code, in accordance with ISO 17442 standard for a legal entity. This information must be submitted to the BSE in the format described in section 4 of this document.

Each exchange member must submit to the BSE the following information **for each of their active clients that are either natural persons or legal entities, as well as any individual that is making an investment decision**:

- Legal Entity Identifier (LEI) code according to ISO 17442 for the exchange member's client, in case the client is a legal entity;
- National client identification code, defined according to Annex II of Delegated Regulation (EU) 2017/590 for the exchange member's client, in case the client is a natural person;
- National identification code of the individual making the investment decision in connection with the entered order within the exchange member's system.

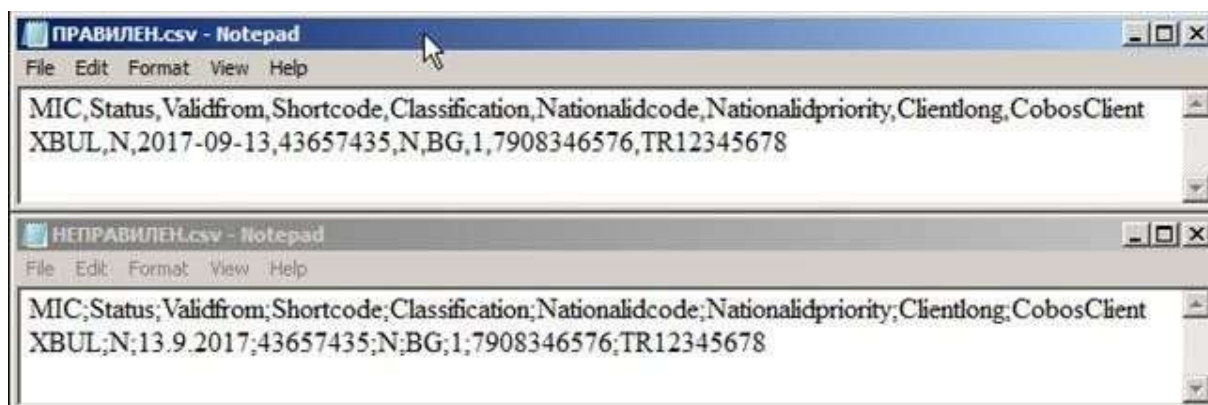
Exchange members must send the BSE information about each **new client** (natural person or legal entity) and any new individual making an investment decision for the respective order **by the end of trading day T** on which the order is entered. In case of errors or missing information, the necessary corrections must be made no later than the **end of trading day T+1**.

4. Description and Technical Specifications of the Audit Trail Data Exchange Service

The Bulgarian Stock Exchange (BSE) File Exchange Service is designed to facilitate regulatory compliance by enabling exchange members to submit the required data to the BSE with a maximum ease. The BSE will utilize the received information to establish a mapping between the parameters entered in the respective order (short codes for clients and investment decision makers) and the necessary information for regulatory reporting purposes as per Delegated Regulation (EU) 2017/580.

The File Exchange Service utilizes FTP (port 21), Implicit FTPS (port 990), and Explicit FTPS (port 21) protocols for file transfer. Compatible FTP clients include FileZilla, WinSCP, and others. Users can upload files in CSV (comma-separated values) format, using the ',' (comma) as the delimiter. The delimiter can be verified in the computer's control panel regional settings.

The uploaded file should contain nine fields as described in Table 2. Below are examples of correct (top) and incorrect (bottom) data formats. Please pay attention to the delimiter (comma) and date format. The correct delimiter is ',' (comma), and the correct date format is yyyy-mm-dd (e.g., 2017-09-13).



The following table provides detailed explanation of the 9 fields.

Table 2

Field	Mandatory	Meaning	Format	Example
MIC	YES	Market Identifier Code	4 alphabetic characters in format [A-Z]	XBUL
Status	YES	Addition or modification of exchange member client or investment decision-maker for the entered order	Alphabetic character N or M, where: N - new client/investment decision-maker; M - change of client/investment decision-maker	N
Validfrom	YES	Date of addition or modification of the client or investment decision-maker	Date in format YYYY-MM-DD	2017-09-13
Shortcode	YES	Short code of the client or investment decision-maker	Whole positive number greater than 2 (1 to 19 digits)	34578
Classification	YES	Classification of the client/investment decision-maker	Alphabetic character N or L, where: N - denotes individual; L - denotes legal entity	N



Nationalidcode	Yes, if Classification = N; field should be empty if Classification = L	Country code of which the person is a citizen according to ISO 3166-1	2 alphabetic characters in format [A-Z]	CZ
Nationalidpriority	Yes, if Classification = N; field should be empty if Classification = L	Priority identification code for the national client identification code for individuals	Possible values are 1, 2 or 3 according to Annex II of Delegated Regulation (EU) 2017/590	1
Clientlong	YES	National Client Identification Code for individuals or LEI code for legal entities.	Alphanumeric characters with a maximum length of 35 characters in the format [A-Za-z0-9#]	19900415E MMA#WAT SO
CobosClient	Yes, if the customer is a COBOS subscriber	COBOS Customer Number	10 alphanumeric characters in the format [A-Z0-9]	KL12345678

Completing all fields (except Nationalidcode, Nationalidpriority, and CobosClient, which depend on specific conditions) is mandatory for successful file submission to the Bulgarian Stock Exchange (XBUL).

The **MIC field** indicates the MIC code of the regulated market where the order was placed. The code for the Bulgarian Stock Exchange is XBUL.

The **Status field** allows for two actions: adding a new client or investment decision-maker for the order and modifying information for an existing client or investment decision-maker. If information for a client or investment decision-maker needs to be changed due to a technical error, for example, the "Modify" (M) action should be used. Subsequent records or files for the same client/investment decision-maker will overwrite the previous information, meaning only the data from the most recently submitted record or file will be considered current.

The **Validfrom field** specifies the date the client or investment decision-maker was added or modified. The date format is YYYY-MM-DD, representing year, month, and day.

The **Shortcode field** is the code assigned by the exchange member to their client or investment decision-maker when placing the order. As mentioned earlier, each client/investment decision-maker must have a unique code within the corresponding investment intermediary. The short code can be any whole positive number greater than 2, with a length of 1 to 19 digits.



The **Classification field** indicates the type of client or investment decision-maker. Possible formats are N for individual (applicable to both clients and investment decision-makers) and L for legal entity (applicable to clients only).

The **Nationalidcode field** is filled only if the Classification field is N (i.e., if data for an individual is being entered). In this case, the two-letter ISO 3166-1 code of the country of citizenship of the person (e.g., the code for Bulgaria is BG) is indicated in the field.

If Classification is L (legal entity), then the field should remain empty.

The **Nationalidpriority field** is again filled only if the Classification field is N, indicating the priority code (1, 2, or 3) that should be used for identification of individuals according to Article 6 of Delegated Regulation (EU) 2017/590. For example, in the case of an individual from Bulgaria, it is specified that the Unified Civil Number (UCN) has the highest priority code of 1 and should be used for identification. This means the number 1 would be filled in the field in this specific case.

The **Clientlong field** is filled with information about the national client identification code, determined according to Annex II of Delegated Regulation (EU) 2017/590, or the LEI code for legal entities. An alphanumeric combination of symbols with a maximum length of 35 characters can be entered. In the above example of a random individual from Bulgaria, the person's UCN should be entered in the Clientlong field.

The **CobosClient field** is mandatory only if the exchange member's client is also a COBOS client. In this case, the client number in COBOS is entered in the field, which has a fixed length of 10 alphanumeric characters.

If an order includes both a new client and a new investment decision-maker, two separate records (rows) are required for each individual.

A single file can contain multiple records. The only limitation is the maximum file size of 1MB.

The file naming convention that users of the service must use is: RTS24MAP_XXXXXX.csv, where X is a digit from 0 to 9 inclusive. Examples of valid file names are RTS24MAP_123456.csv or RTS24MAP_000001.csv. Examples of invalid file names are RTS24MAP.csv or RTS24MAP_1.csv. File names must be unique, meaning users cannot submit a file with the same name to XBUL more than once.

After logging in to the appropriate FTP client with username and password, users have access to two folders: outgoing and incoming. Users upload the corresponding file to the "outgoing" folder. Files that do not comply with the naming convention mentioned above will not be processed.

Following processing by the system, the original file is deleted. The processing results are obtained in a JSON (JavaScript Object Notation) file named RESP_[original filename] located in the "incoming" folder. The processed file contains information about successfully processed records in the file (successfullyProcessedRows) as well as any errors encountered (countErrors and errors). If there is



one or more errors in a record, the entire record is considered unsuccessful and must be resubmitted to XBUL with the correct naming convention. Users are encouraged to delete read files in the "incoming" folder due to a 20MB quota per user.

Users can upload files at their convenience without any restrictions. File processing is performed daily between 5:00 PM and 7:00 PM, with the procedure starting every 5 minutes. Files uploaded by a user are processed in priority order based on their filename. For example, RTS24MAP_000001.csv is processed before RTS24MAP_000002.csv. The service is available on non-working days as well.

For more information about XBUL's services, including obtaining a username, password, and FTP server address, please contact the "Issuers and Membership" Directorate at 02/937 09 30 or the "Trading" Directorate 02/937 09 33. For technical questions, please contact the "Information Technology" Directorate at 02/810 80 72 or 02/937 09 58.