

# Money Market Statistical Reporting (MMSR)

## Questions and answers – version 3.~~3~~4

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Relevant MMSR information and documentation is available on the ECB's website:  
<https://www.ecb.europa.eu/stats/money/mmss/html/index.en.html>

Version	Date	Description
<u>3.4</u>	<u>15.06.2021</u>	<u>To clarify the rules for the reporting of specific instruments on the secured market and the reporting of life-cycle events for transactions with open maturity and evergreens. To clarify a number of specific questions on different topics.</u> <u>Version 3.4 applies as of 1 December 2021.</u>
3.3	27.11.2020	To align with the amending MMSR Regulation ECB/2020/58, which requires the reporting of data for branches located in the UK and to align with the MMSR Reporting Instructions version 3.3 by providing further details on the reporting of benchmark transition events. Version 3.3 applies as of 1 January 2021.
3.2	15.11.2019	To align with the amending MMSR Regulation ECB/2019/29. To include small updates on a number of Q&A entries. Version 3.2 applies as of 1 January 2020.
3.1	11.12.2018	To align with the amended MMSR Regulation ECB/2018/33. Version 3.1 applies as of 15 March 2019. If a reporting agent is ready to apply the new version before 15 March 2019 (i) it is allowed to implement the changes in reporting submissions before that date (ii) should communicate it in advance to their respective NCB/ECB to allow a proper monitoring.

## 1 Questions regarding the general requirements

### 1.1 Scope of reporting

#### 1.1.1 Reporting population

1. Are trades conducted with counterparties classified as S126, S127 and S12 within the scope of the reporting?

A clarification is needed for trades with counterparties such as Renault Finance (Swiss legal head office and belonging to S12).

**Eurosystem reply:** Trades with counterparties classified under any sub-sector of S12 (Financial corporations) should be reported. This includes transactions conducted with counterparties identified as S126 (Financial auxiliaries) or S127 (Captive financial institutions and money lenders). In your particular example, if Renault Finance falls under an S12 classification, and you conduct an MMSR-eligible trade with it, you should report the deal accordingly.

2. Question regarding transactions with central clearing counterparties (CCPs) and MMSR:

In Annex I of the Reporting Instructions there is an overview of the sector codes (SNA codes) that can be used in the reporting. The codes S14 and S15 are not mentioned in that overview, so transactions with counterparties with these classifications have to be excluded from MMSR reporting. But in Section 3.3 of the same document there is a statement on the use of the Legal Entity Identifier (LEI) code to identify a counterparty which clearly states that transactions with a CCP are reportable (as expected). Which SNA code should be used to identify the CCPs?

**Eurosystem reply:** Regarding the reporting of CCPs, please note that when a transaction has been conducted via a CCP, the LEI of the CCP should always be specified as the counterparty. In this respect, the reporting should not include an SNA2008/ESA2010 code when you report a deal with a CCP. Therefore, in the code lists in Annex I of the Reporting Instructions there is not a specific code which needs to be used to identify a CCP as a counterparty.

3. For trades done on a platform facing the CCP, the reporting agent could not report the underlying client as the underlying client/counterparty is not known.

**Eurosystem reply:** For repurchase transactions conducted with a CCP, the CCP needs to be reported as the counterparty.

4. If there are several separate legal entities within the European Free Trade Association (EFTA), this could lead to the requirement to report to multiple national central banks (NCBs) and potentially also to the ECB. The complexity of segregating the reporting streams is easily recognisable; in this respect, could you please confirm that the reporting requirements (format, fields, etc.) will be identical notwithstanding the NCB to which a reporting agent will need to report?

**Eurosystem reply:** A reporting agent may need to report to several NCBs and the ECB for different legal entities. But the format and fields will be the same across the Eurosystem. There is only one set of Reporting Instructions, including the same set of basic data validation checks for the entire Eurosystem. The only difference would be the transmission channel where the reporting agent needs to provide data to the respective NCB or directly to the ECB.

5. **Updated-** If a reporting agent operates branches in two different countries, is it possible to upload additional files (relating to these branches) when they become available and after the first submission, but always during the defined time window?

**Eurosystem reply:** The reporting agents need to provide one file per segment per day (i.e. four files for each TARGET2 business day representing the four money market segments) for all their operations, including those performed by their branches (located in the EU and EFTA as well as for their branches located in the United Kingdom). This rule implies that the reporting agent would need to compile, in a single file, all transactions conducted on a given trade date and in a given segment, including trades conducted by the branches. This means that, in general, a subsequent separate submission for part of the data is not allowed.

### 1.1.2 Money market segments

6. Regarding the scope of the reported deposits transactions, according to the Reporting Instructions current accounts, i.e. sight and savings accounts (which are not the case here as saving accounts refer to individuals), are not included in the reporting scope. This means that only deposits with specific maturities or notice accounts are reported. Is that correct?

**Eurosystem reply:** Current accounts are indeed outside the scope of MMSR. However, please note that saving accounts are considered as call accounts/call money when they have a notice period, and therefore when such a transaction is conducted with an MMSR-eligible counterparty, it should be reported.

### 1.1.3 Scope of reporting

7. Can you please confirm that all transactions under the Global Master Repurchase Agreement (GMRA) (buy and sell-backs) are included under repurchase transactions? Can you please confirm that transactions under the Global Master Securities Lending Agreement (GMSLA) are outside the scope? It is not clear whether securities lending and TCF and/or total return swaps for security finance are included.

**Eurosystem reply:** Buy and sell-back transactions are included in the scope of the reporting. Securities lending is only included in the reporting if it is against cash.

8. If the main activity of a reporting agent with respect to the repo market is on an agency rather than a principal basis, the assumption would be that only principal transactions should be reported. Could you please provide clarification in this respect?

**Eurosystem reply:** All transactions that are booked on the reporting agent's balance sheet and meet the definitions in Regulation ECB/2014/48 need to be reported. We understand that agency transactions are not booked on the reporting agent's balance sheet and therefore they are excluded.

9. **Updated:** Are public sector purchase programme (PSPP) securities lending transactions that are conducted as repo and reverse repo (with the aim of cash neutrality), or as a single repo or reverse repo against cash, reportable under the MMSR framework?

**Eurosystem reply:** These transactions are considered securities against cash and, as such, they need to be reported with the flag MRRP. Please note that the fee should be reported as the difference in the interest rate of the repo and that of the corresponding reverse repo.

10. Regarding transactions in sector S124 (Non-MMF investment funds), which are also responsible for the majority of late reporting of NEWT and AMND records. The late NEWT and AMND records are a result of decreases in the nominal amount of the original transaction. When a client wishes to decrease the outstanding nominal amount of a fund, this decrease is allowed even though it is not foreseen to take place on the basis of the transaction terms. Based on the ECB definitions of "renegotiations" and "life cycle events", it would seem that such a decrease has to be considered a "renegotiation". The decrease will result in an AMND and a NEWT record (both "late") because of the way the decrease is booked in the booking system. To book a decrease in the nominal amount of the original transaction:

1. The nominal amount of the original transaction will be amended to reflect the new (lower) nominal amount for the entire life-cycle of the original transaction (original nominal amount minus decrease amount).

2. The amount corresponding to the decrease itself will be booked in a new transaction with:

- a. a new interest rate;
- b. a transaction date equal to the original transaction date; and
- c. a maturity date equal to the date of the original transaction.

Can you please confirm that, in the case of such a decrease, it is acceptable to report two "late" records, because they are representing the reality of the decrease?

**Eurosystem reply:** Please note that if the interest rate or maturity changes, the transactions resulting from these renegotiations must be transmitted as new

transactions with the newly agreed transaction terms and a new Proprietary Transaction Identifier (PTI). It is understood that, in the case of the decreases presented in the question, there is also a change of the interest rate of the respective transactions. Therefore, these transactions should be reported as renegotiations, meaning as NEWT with the new transaction nominal amount, the new interest rate, the new Trade Date equal to the time of the new agreement and the Maturity Date of the original transaction (if it was not changed). Please also note that, in this case, no amendment should be sent for the original transaction.

11. Regarding transactions cleared through a CCP, some of which are cleared very shortly (a few seconds) after the initial deal. The result is that the reporting agent does not always know the name of the counterparty or all the components of the initial deal. Further, the transaction is not booked on the reporting agent's balance sheet.

Reporting agents would face problems when reporting such transactions.

**Eurosystem reply:** Regarding trades conducted with/via CCPs, please note that, if the clearing takes place on the same day, there are two situations which need to be distinguished in the reporting:

1) The Reporting Instructions specify that if a transaction with an MMSR-eligible counterparty is conducted via a CCP, the reporting agent should report only one trade – the one with the CCP (classifying the counterparty of the transaction as conducted with a CCP, which is identified by its LEI code).

2) The Q&A specifies that, if a transaction is conducted with a CCP but on behalf of a client, the reporting agent should report both trades – i.e. the one in which it has traded with its client as well as the one in which it has traded with the CCP; however, these should be reported provided that they are booked on the reporting agent's balance sheet.

12. Derivatives client clearing: some reporting agents clear overnight index swap (OIS) transactions to CCPs bilaterally and on behalf of clients. When this is done on behalf of clients to CCPs (as principal), does this require both legs of the transaction (client to us and us to CCP) to be reported?

**Eurosystem reply:** All transactions booked on the balance sheet of the reporting agent need to be reported; with regard to the above example – if both legs are booked on the reporting agent's balance sheet – both transactions need to be reported.

13. Could you please specify whether transactions with sole proprietors (self-employed persons) should be reported under MMSR?

**Eurosystem reply:** Transactions with sole proprietors should not be reported.

14. Is there a minimum transaction size threshold for the reporting?

**Eurosystem reply:** There is no such threshold.

#### 1.1.4 Transmission arrangements

15. What is the deadline for reporting agents for responding to questions from the ECB or the relevant NCB requesting them to confirm the accuracy of the statistical information or to answer any query regarding its accuracy?

**Eurosystem reply:** Reporting agents are required to respond promptly, and by no later than 7:45 CET to any such question received from the ECB or the relevant NCB before that time on any TARGET2 business day. For questions received by the reporting agent after 8:00 CET, reporting agents have to respond by 15:00 CET on the same day.

16. The CCPs report transactions for EMIR/DFA on behalf the counterparties. Is it also possible for MMSR?

**Eurosystem reply:** No, this isn't possible for MMSR. Transactions must be reported by the reporting agent.

17. Which days are TARGET2 closing days?

**Eurosystem reply:** TARGET2 closing days are 1 January, Good Friday, Easter Monday, 1 May, 25 December and 26 December.

18. What happens in the case of a local holiday? When should we report the relevant data?

**Eurosystem reply:** Reporting agents are required to report for each TARGET2 opening day – between 18:00 on that day and 07:00 on the following TARGET2 opening day. As the MMSR Transactional Module will be available on a 24/7 basis (apart from maintenance periods), reporting agents will be able to use it at any time.

19. The MMSR Reporting Instructions specify that the data for each segment should be transmitted in separate files. Could single file data transmission also be accommodated?

**Eurosystem reply:** No, the data for each segment must be reported in a separate file. The different files have different variables to be reported and will be subject to different validation checks.

20. Is there a size limit or a recommended limit on the number of messages (e.g. 100 transactions per XML file), or can we insert thousands of transactions into a single file if needed?

**Eurosystem reply:** We recommend a maximum of 20,000 transactions per file in order to ensure suitable processing time.

21. The documentation mentions that we can call the GetFeedbackService, for example ten minutes after submitting a file. How long does it take until the status message is ready?

**Eurosystem reply:** The ten-minute time interval is the maximum. For instance, for a file containing 100 transactions, the status message will be available within ten seconds. For a file with 1,000 transactions, the status message will be available around 90 seconds later.

22. If we deliver an XML file with 1,000 transactions, and 30 of them are rejected due to data errors, what should we do?

a) Can we deliver a new file containing only those 30 corrected transactions during the same day?

b) Or is it better to send the 30 corrected transactions with the next delivery the following morning?

**Eurosystem reply:** Both options are possible if the transmission of multiple files per day is agreed with the respective NCB. If only one file per day can be sent, option (b) would be correct.

23. In the case of a full file rejection, are the results stored in your system? Our assumption is that they are not due to the fact that we are required to report transactions with the original status. The background to this question is that we see a potential issue with duplicate transactions. Please confirm.

**Eurosystem reply:** When a whole file is rejected, the information it contains and the results of the associated feedback (i.e. the data quality checks contained in the status message) are not kept. Therefore, reporting agents are asked to resubmit the file with the original status of the transactions it contains (if the status of the initial transaction in the rejected file is NEWT, you should report the transaction with NEWT in the new file; if the status of the initial transaction in the rejected file is AMND, you should report the transaction with AMND in the new file, etc.).

24. In the case of a transaction which is rejected within a partly rejected file (file status: PART), we note that the next transaction should be reported as CORR. If, for example, the transaction is cancelled in between receiving the rejected transaction status and the next day's reporting deadline, would the transaction be accepted if a CANC is sent for the transaction rather than a CORR? This approach would be more in line with the reality of the transaction status. Please confirm the correct approach.

**Eurosystem reply:** This assumption is correct – in such a case the transaction should be reported as CANC instead of CORR.

25. Would it be possible for the data to be delivered in real time (trade by trade), instead of one daily report? It would make it easier to meet the reporting deadlines.

**Eurosystem reply:** To facilitate the data flows and communication with reporting agents, the reporting must be done by grouping the reports as set out in Regulation ECB/2014/48. This excludes real-time data transmission.

However, there is also an option for providing NCBs with more than one file per day per segment per reporting agent, but this is subject to agreement with the respective NCB.

26. What are the ECB's expectations regarding MMSR messages if technical issues occur? Does the ECB still expect one XML file per segment to be delivered by the end of the day, even if the reporting agent is not able (due to technical issues) to report the reportable deals (in this case only a NOTX file could be sent).

**Eurosystem reply:** The regular MMSR should include one file per segment for each TARGET2 business day comprising all MMSR-eligible transactions conducted on the respective day T; the file should be transmitted by 07:00 on T+1. However, if due to technical reasons you are not able to transmit the file within the deadline, you should do so as soon as possible afterwards, preferably on the same day as the usual submission, or on the following business day at the latest (together with the regular reporting for that day).

Reporting agents must inform the ECB or the relevant NCB if you are not reporting directly due to technical issues that prevent you from reporting within the required timeframe. A "NOTX" code should be transmitted ONLY if you have not conducted an MMSR-eligible transaction on the respective day T.

27. File name convention: could you please provide a description of the file naming which is to be used when reporting MMSR data?

**Eurosystem reply:** The name of the MMSR data messages should be constructed in the following way:

<MESSAGE DEFINITION IDENTIFIER>.<LEI>.<DATE>.<INCREMENTAL TRANSMISSION NUMBER>

Please note that the file name should not contain any other elements or extensions, such as .xml or .xsd.

28. File name convention: could you please provide as an example the 15-digit market segment identifier which is to be used for the Message Definition Identifier in the file naming convention?

**Eurosystem reply:** The market segment identification is given by using the ISO standards. The identification for the four market segments is the following:

- secured segment is identified with "auth.012.001.02";
- unsecured segment is identified with "auth.013.001.02";
- FX swaps segment is identified with "auth.014.001.02";

- OIS segment is identified with “auth.015.001.02”.

29. Could you please provide clarification on the feedback loop and its timeliness?

**Eurosystem reply:** The Eurosystem intends to provide a feedback loop with three main elements: (i) upon reception of the data file, an acknowledgement message will be made available and immediate feedback sent in the case of a corrupted file, (ii) quick feedback (in principle within a few hours) when records are invalid in an overall non-corrupted file, and (iii) business-oriented feedback (on salient developments).

30. What mechanisms will be available for reporting agents to be able to demonstrate controls – completeness, accuracy and Service Level Agreement (SLA) compliance? E.g. activity reports, etc.

**Eurosystem reply:** The first level will be a set of data quality checks (i.e. validation rules) covering the technical compliance of the transmitted data. Moreover, the reporting agent will be able to access reporting quality feedback.

31. If there is a corrupted file which needs to be resent, when should this resubmission take place?

**Eurosystem reply:** If possible, the corrected file should be sent on the same day. However, if this is not feasible or not technically possible, the corrected file may also be sent the next day.

32. In the event that a file transmission fails, what is the deadline for resubmission/consequences for missing a reporting? If the transaction information is submitted one day late, should the transactions be included in the current days' reporting file or should two separate files be submitted (i.e. one for the reporting due that day and one for the previous day that was missed)?

**Eurosystem reply:** If a file is not submitted, the MMSR Transactional Module will send a reminder email. The data must be submitted together with the next mandatory reporting on the next business day. The transactions should be submitted with the status “NEWT” in two separate files. However, it is also possible that the information could be sent out in one file which includes both the current and the previous transmission.

33. In relation to transactions where the details are incorrect or incomplete: what is the preferred option of the ECB?

- Submit known incorrect / incomplete transactions with the knowledge that they will fail validation and will then require resubmission;

OR

- Hold back transactions which have not met the internal validations carried out prior to submission, with a view to amending the required information before submission.

**Eurosystem reply:** The data should be submitted even if the reporting agent knows that the transactions are incorrect or incomplete.

The quality of content in each file will be evaluated by the MMSR Transactional Module and information on all errors will be communicated to the reporting agent through automatic messaging.

34. Will the ECB in some cases also query specific details regarding a reporting agent's submitted MMSR data via email? If not, will this occur through the ECB platform instead?

**Eurosystem reply:** For reporting agents submitting directly to the ECB, the following email notifications will be sent by the MMSR Transactional Module:

- a reminder if the reporting agent has not submitted one or more of the requested files;
- a reminder if there are transactions to be corrected. Corrected transactions should be submitted within a period of ten TARGET2 business days. If they are not, a reminder will be sent on the ninth day.

Reporting agents submitting directly to the ECB will have access to all their submission information through WebUI (U2A channel).

Queries regarding data quality issues will be submitted via email.

35. If no values are available / applicable for a particular tag, should it be sent as a blank tag or should the tag not be present in the XML?

**Eurosystem reply:** If it is a mandatory tag, it should be completed. If a mandatory tag is not present in the XML or is not populated, the report containing this transaction will be rejected.

If it is an optional tag and no value is available, it should not be present in the XML structure.

Please note that there should be no blank or empty tags in any case, as this will lead to a rejection of the report containing this transaction.

36. If the first service request (ReceiveDeliveryService) fails due to validation issues, can the resubmission of the file be done on the same day post the 07:00 delivery deadline?

**Eurosystem reply:** Yes, this is possible.

There is not a maximum number of times the service can be called; it can be called as many times as necessary, even outside the submission period. Please note that MMSR system services are available on a 24/7 basis, apart from during maintenance periods.

37. What is the validity of the PKI certificate? Do we have separate certificates for production and pre-production environments?

**Eurosystem reply:** The PKI certificate is valid for two years. You should use a production certificate for the pre-production environment.

38. Section 8.4 of the IT Appendix states, "In case of a SOAP Fault, the Web Service response will only contain a SOAP exception (no DeliveryId, no ReportingStatusMessageFile, no StatusMessageFileName will be delivered as expected in the receive DeliveryResponse). The Sender has to contact the MMSR helpdesk or make a new submission."

Can this be done after the 07:00 next day reporting deadline? Should it be the same name or should it have a new iteration number?

**Eurosystem reply:** Yes, this can be done after 07:00. The file can be sent with the same name.

39. During operation timed out scenarios, it is possible that a reporting agent's systems may not receive a response from the ECB although it might have been processed at the ECB (thus receiving a DeliveryID). During resubmission of the file, it would be rejected saying it is a duplicate submission.

Will the duplicate submission error be sent back to the reporting agent also share the previous DeliveryID (against which the duplicate check failed) so that the reporting agent's systems can map this to the earlier timed out submission and subsequent getfeedbackservice?

**Eurosystem reply:** The reporting agent will be able to recover this information (DeliveryID) manually through the WebUI of the MMSR Transactional Module (U2A channel). It will also be able to download the status message manually through the WebUI.

If it is not a scheduled and automated resubmission, we invite you to check the WebUI prior to resubmitting.

If the reporting agent resubmits the file, all the transactions will be rejected because they are all already present in the database. The reporting agent will receive a status message, but the previous DeliveryID is not included.

40. During maintenance periods when the ECB submission platform services are unavailable, how should a resubmission be carried out? For example, if services are unavailable from 1 to 3 June 2016, do we submit all the trades on 4 June with file date as 4 June, or do we submit separate files on the same day?

**Eurosystem reply:** The reporting agent will be able to submit the data in separate files on 4 June for reporting the data for 1 to 3 June and 4 June.

41. We assume that daily reporting submissions occur Monday to Friday therefore transactions carried out will be reported by 07:00 at the latest on Monday morning. Could you please confirm if this understanding is correct?

**Eurosystem reply:** MMSR system services are available on a 24/7 basis with the exception of maintenance periods. Transactions which occur on a Friday must be reported (in case of direct reporting to the ECB) by 07:00 on the following Monday morning.

Please note that all trades which have been conducted on TARGET2 closing days should also be reported. Therefore, transactions conducted for instance on 1 May need to be reported in a separate file. In such a case this file could be reported on the first TARGET2 business day following the TARGET2 closing day – we would have two different files being reported on the TARGET2 business day (in our example: by 07:00 on 2 May). Alternatively, the transactions for 1 May could be included in the file reported on 2 May, together with the transactions of 30 April. In this case the Reference Period in the Business Application Header would need to be adjusted in order to capture both days – 30 April and 1 May.

42. Due to a production issue, a report is not sent for multiple days; however, all subsequent reports are sent successfully. What do we do about the failed report? Do we report it as soon as it is fixed and just ensure its original report period is referenced? Or can subsequent reports only be sent if the current report has been sent (no missing daily reports)?

**Eurosystem reply:** In general, four files must be submitted by each reporting agent each TARGET2 business day (one for each of the four money market segments), unless agreed otherwise with the respective NCB. These files are to be submitted on a given TARGET2 business day independent of whether files have been submitted on the previous TARGET2 business day. If a transmission from a reporting agent to the ECB or respective NCB fails on a certain TARGET2 business day, this report should be sent on the next TARGET2 business day, or alternatively, the respective transactions should be included in the report submitted on the next TARGET2 business day.

43. As missing daily reports are possible, what if a 5 April report gets fixed and submitted on 10 April with a transaction in NEWT status, but an amendment to that transaction was already submitted in an earlier report on 8 April as AMND? What do we do? The assumption is we can't do anything but continue to submit the 5 April report once fixed, and NEWT status will have to come after the AMND version.

**Eurosystem reply:** Amendments to transactions can only be reported after the original transaction has been reported – otherwise the respective transaction will fail the data quality checks and be rejected. Therefore, the reporting agent should first submit the respective transactions for 5 April by submitting the corrected report on 6 April (or within ten days at the latest).

44. When a file is rejected, what would be assigned to the transactions which are included in the file? Are all transactions in a file marked as rejected or are the different transactions assigned with the different applicable status? Should the reporting agent resend all the transactions or just the rejected ones, and with the original or the correction status?

**Eurosystem reply:** This depends on whether there is a breach of the threshold for erroneous transactions. The following two cases should be considered:

- The number of erroneous transactions in a reported file is below the threshold (i.e. the reported file contains less than X% rejected transactions): the reporting agent receives a request for correction of the erroneous transactions in the status message and the rejected transactions should be resent with CORR status.
- The number of erroneous transactions in a reported file is above the threshold (i.e. the reported file contains X% rejected transactions or more): the entire file is rejected. The reporting agent should send a corrected file showing the transactions with their initial status (e.g. if a transaction had status NEWT in the file initially submitted, then this transaction should also have status NEWT in the resubmitted file; if the status was CORR in the initial file it should be resubmitted as CORR, etc.). In addition, the status message sent to the reporting agent will contain "RJCT" in the "ReportStatus" in the Business Application Header (BAH), and also the status (RJCT/WARN) of the individual transactions.
- Currently, the threshold is defined as "X" = "100%".

45. The collateral haircut of the repurchase agreements is of significant commercial sensitivity and, as such, is a good example of why the reporting agents could be significantly concerned about the degree of confidentiality which needs to accompany repo data reporting. Given the multiplicity of agencies with interest in this data, it is vital that there is strong control over confidentiality and that access is restricted to relevant data. Which agencies are permitted access to what data also needs to be made transparent to contributors.

**Eurosystem reply:** The Eurosystem is fully aware of the highly confidential nature of all data that will be transmitted. All data will be handled according to the high confidentiality standards prevailing in the Eurosystem procedures. In this respect, the data will be accessible only to the European System of Central Banks (ESCB) users, and not to any third parties.

### 1.1.5 Wholesale transactions

46. Are the following counterparties defined as "general government" as referred to in Article 1(7) of EU Regulation No 1333/2014?

- municipality
- administrative district
- county

**Eurosystem reply:** The definition of “general government” includes ministerial departments, agencies, boards, commissions, judicial authorities and legislative bodies that are part of the core central government unit. The separate ministries within it are not recognised as separate institutional units as they do not have the authority to own assets, incur liabilities, or engage in transactions in their own right. Please refer to page 426 of the [European System of Accounts](#).

47. The “wholesale” definition refers in general to “deposits”. Which deposits are taken into account in the definition? Are current accounts included, for example? In addition, the total amount of deposits belonging to one NFC might change every day. Are reporting agents therefore expected to check on a daily basis whether transactions with a specific NFC are to be reported?

**Eurosystem reply:** Under the MMSR framework, the transactions with NFCs to be reported should be based on the client internal classification which should be stable over time and comply with the classification for LCR purposes.

Hence, there is no need for a daily recalculation of the deposit holdings of the NFCs to determine whether transactions with a given NFC need to be reported.

48. Regarding NFCs classified as “wholesale” according to the Basel 3 LCR framework: is it correct that all deposits of the relevant NFC are taken into account for the amount of EUR 1 million, including, in particular, current accounts?

**Eurosystem reply:** The calculation of aggregate funding and classification of an entity as a wholesale NFC is distinct from the MMSR framework (indeed, current accounts are outside the scope of MMSR).

However, current accounts should be included for the purpose of the wholesale classification calculation. The aggregate funding exposure of the bank to the small business customer for the purpose of the EUR 1 million threshold is calculated by taking all funds extended to this category of customer into consideration – this includes current accounts as they represent liabilities like any other.

## 1.2 Transmission requirements

### 1.2.1 Timeliness

49. Given the tight reporting timeframe – would an extension of the deadline until noon on T+1 be possible or would it be possible to align it with the timeframe for EMIR reporting (by T+1 cob). The tight reporting deadline of 07:00 CET on T+1 could lead to less accurate data and to a higher number of corrections and thus to a higher

reporting burden. In addition, this generates doubts on how a reporting agent would handle transactions conducted after 18:00 CET.

**Eurosystem reply:** Reporting deadlines reflect internal ECB business needs and processes – to make the data usable for the daily activities in which the market developments of the previous business day are reviewed and analysed. The timeframe for the transmission of data is set down in Article 4 of Regulation ECB/2014/48. As the deadline for reporting is 07:00 CET on T+1 there is sufficient time to capture any transactions concluded after 18:00 CET on day T. To reduce the reporting burden, it is also possible to transmit the data at 18:00 CET on day T where all of the transactions are concluded before 18:00 CET. Furthermore, revisions can be transmitted together with the new daily transactions that are sent to the relevant NCB or the ECB or in a separate file where this is agreed with the respective NCB or the ECB.

50. The deadline at 07:00 T+1 would likely pose processing problems given that there are dependencies on CCP data which are only available post close of business on T.

**Eurosystem reply:** Exceptionally, trades may also be reported back-dated if only booked on the reporting agent's balance sheet on T+1. In the case of tri-party operations using pre-set pools of collateral, the detailed allocated collateral information is not needed as, for these trades, only the International Securities Identification Number (ISIN) of the pool is requested.

51. **Updated:** If a reporting agent conducts business in different EU time zones, it can happen that trades are booked after 18:00 CET on T; are these trades to be reported with the trades of T or they could be included in the T+1 reports?

**Eurosystem reply:** Reporting must take place between 18:00 CET on T and 07:00 CET on T+1. Only transactions undertaken/booked by Union and EFTA-located branches as well as by branches located in the United Kingdom will have to be reported. Hence, in the case of transactions concluded after 18:00 CET within the EU time zones, a transmission should still take place by 07:00 CET on T+1.

52. If reporting agents report directly to the ECB the cut-off time is 07:00 CET, while if they report via an NCB data should be available to the ECB at 07:00 CET. Does this mean that the deadline for data transmission will be earlier if the data are sent to an NCB? If that is the case, it could create difficulties for the reporting.

**Eurosystem reply:** Where an NCB decides to collect data, the time constraint for the reporting agents is decided by the respective NCB. As stated in Article 4(3) of Regulation ECB/2014/48, the NCB will inform the reporting agents of the cut-off time.

## 1.2.2 Unique Transaction Identifier (UTI)

53. Using a UTI could avoid double-counting for derivatives. As for other market segments, UTI seems an unavailable option to date and also in the future.

A possible introduction of an agreement by which a party (say the lender) provides an identifier accepted by the counterparty (say the borrower) would entail high implementation costs. Could a different way for matching transactions in order to avoid double-counting be evaluated?

**Eurosystem reply:** The Eurosystem is aware of the issues regarding the UTI. The UTI field will initially be optional with the aim to make it mandatory at a later stage. The Eurosystem understands that the International Organization of Securities Commissions (IOSCO) is working on the definition of a global UTI. For MMSR, the reporting of the UTI will become mandatory once it is operational and broadly used by the market.

The reporting agents have to provide a PTI and are encouraged to provide the counterparty PTI (as explained in the MMSR Reporting Instructions) as this information will facilitate the matching of the transactions.

54. Could you please clarify how a reporting agent should report if it has not been able to exchange a UTI; the only option in such a case would be to report using its own transaction identifier.

**Eurosystem reply:** The UTI is left as an optional field to be reported only when available. The PTI is a mandatory field for MMSR which needs to be reported in all cases, i.e. even if the UTI is available and reported.

55. UTI registry – counterparties exchange is not executed on trade date, so problems will occur when including such a field on the next day, unless a provisional UTI record is set.

**Eurosystem reply:** The reporting of UTI is optional at this stage. It should be reported only if available and technically feasible.

56. The UTI has two main parts, the UTI prefix and the UTI value. What should be reported in this field: the UTI value only or the combination of UTI prefix and UTI value?

**Eurosystem reply:** The reporting agent should provide the UTI value.

57. Questions about UTI:

(1) We understand that only the UTI value should be reported. However, on some occasions the separation of the UTI prefix and UTI value is not possible. We assume that we need to report the complete UTI in those cases, as this seems to be better than leaving the field blank which would be the only option otherwise?

(2) On some occasions we have only the UTI for the far leg available in our systems. Should we report this UTI, which is against the requirement of reporting only the near leg, or should we not report anything?

**Eurosystem reply:**

(1): If the reporting agent that has this problem confirms that its counterparties are also storing the whole UTI and consequently would report it, this would mitigate the risk of inconsistent reporting and allow for the two transactions to be matched. Otherwise, the reporting agent should start reporting only the UTI value.

(2): As the counterparty of this reporting agent will most probably report the UTI of the near/spot leg it would be advisable that the respective reporting agent starts storing the near/spot leg UTI as well – in order to be able to provide it to the MMSR. Otherwise, the matching of the transactions could be problematic and inconsistent if two reporting agents report the same transaction with different UTIs for its different parts.

58. Can you confirm that, when providing a UTI on a trade, we can submit multiple “new-trade-events” with the same UTI? This will be the case, for example, when we submit renegotiations for an FX swap (= new trade with the same UTI as the original trade)?

**Eurosystem reply:** No, this is not correct. Please note that, in the event of a renegotiation, a new UTI should be provided (if available, since the field is currently not mandatory). However, in the case of amendments or corrections, the UTI should not be changed.

### 1.2.3 Revisions

59. Could you please define the reporting criteria for events on deals already reported, for example decreases, amortisations, errors, etc.

**Eurosystem reply:** Unless otherwise stated, subsequent or life-cycle events are not to be reported. Transaction rollovers are reported as separate, new transactions identified in the appropriate way (i.e. as NEWT). Floating rate instruments and transactions are reported only when initially concluded with the indication of the discount margin, reference rate and the spread. Amendment of existing transactions should be reported on the business day following the amendment using the same transaction identifier as the original, initially reported transaction.

60. Could you please elaborate with respect to the amendments, cancellation and renegotiations of the deals such as renewal, rollovers, and changes in some already reported detail of the contract (e.g. transactions with maturity of less than one year which are then renegotiated with maturity more of than a year; early repayments; etc.)?

**Eurosystem reply:**

- (a) Rollover: needs to be reported as new transactions.

- (b) Changes understood as amendments/corrections: the variable “Reported Transaction Status” distinguishes between new transactions and “amendments”, “corrections” or “cancellations” of a previous transaction:
- “amendments” are changes to previously transmitted records due to erroneous values in the transaction record variables identified by the reporting agent, without any Eurosystem notification;
  - “corrections” are errors in the format and/or errors in the values of the transaction record variables, which the Eurosystem has indicated that the reporting agent should correct;
  - “cancellations” are transmitted records that need to be deleted. A cancellation, for instance, could be necessary because a transaction was transmitted repeatedly.
- (c) Renegotiations (such as a re-price or a re-rate of a transaction): these must be reported as new transactions with the new terms agreed on the day in which the renegotiation takes place. The initially reported transaction must not be cancelled or amended.
- (d) There is no requirement to report life-cycle events such as margin calls, collateral substitutions, exercising of options or resetting of the interest rate on variable rate instruments. In case an event (e.g. collateral substitution) was not foreseen in the initial contract and therefore leads to the closing of the existing trade and the conclusion of a new trade which is within MMSR scope, this new trade has to be reported with status NEWT.
- (e) If a reporting agent identifies a need to amend a trade after having received a correction request from the ECB or the NCB, the corrected and amended transaction should be reported with status “correction”, and not as “amendment” (see the cases below). However, it is also expected that internal diligences on matching and confirmation of trades are generally performed before trades are reported to the MMSR reporting tool (between 18:00 on the trading date and 07:00 the day after) and therefore such occurrences should be limited.

If several corrections and amendments have to be made before resubmission of a transaction, only the final record of the respective transaction can be transmitted in the reported file because the Data Quality Checks reject files which contain several transactions with the same PTI. Furthermore, in the following cases (in which several changes occur for one transaction within the same day) the reporting agent should send the transaction with the next transmission of data with the status indicated below.

1. AMND and CANC? The transaction should be resent with status CANC.
2. AMND and CORR? The transaction should be resent with status CORR.
3. CORR and CANC? The transaction should be resent with status CANC.

61. What would be the best way forward when transmitting transactions with AMND status following the rejection of a NEWT in a partially rejected file?

If a NEWT has been rejected by the ECB on day 1 and it is then reprocessed on the next day as AMND, the ECB would reject the transaction since only CORR and CANC would be expected. In addition, it seems that, in the event of a rejected NEWT and where an AMND is processed on the same day, the ECB would expect a CORR transaction to be sent rather than an AMND.

It was noted during the testing, however, that in both cases the AMND was accepted. Can you please confirm the expected treatment for these scenarios and confirm whether it is an issue to:

1. Send an AMND following a rejected NEWT
2. Send an AMND instead of a CORR following a rejected NEWT

**Eurosystem reply:** Using the AMND and CORR statuses depends on whether the reporting agent has been asked to correct the transaction due to a rejection or via email or any other means (in this case CORR should be used), or whether the reporting agent identifies an error in a previously reported transaction (in this case AMND should be used).

While both statuses (AMND and CORR) can be used in the case of accepted and rejected transactions, in the typical case reporting agents should send a CORR to correct rejected transactions and an AMND to amend accepted transactions for which the reporting agent identifies an erroneous value.

62. How should the reporting agent manage a “warning” which has been reviewed from the reporting agent’s side and does not require any correction?

**Eurosystem reply:** When a “warning” has been reviewed and does not require any correction, no further follow-up is needed.

63. In the case of a trade revision (CORR, AMND or CANC), is it expected that the updated record will be received in the following day’s segment file for that particular product? For example, if there is a trade revision on an OIS swap, does this need to be loaded on the following day’s OIS segment file or can it be uploaded in a separate trade revision file?

**Eurosystem reply:** Please note that revisions can be submitted in a separate file on the same day or in the following day’s file (together with the new transactions). The option to submit the revisions must be agreed with the relevant NCB.

64. As per the requirements, cancellations of original transactions do not need to be reported for renegotiations. However, if a reporting agent still submits a cancellation in such a scenario, will the ECB reject the transaction, or will it ignore the submitted cancellation?

**Eurosystem reply:** The reporting agent should respect the requirements of the MMSR framework according to which the renegotiations should be reported with a new PTI/UTI without cancelling the previous trade. In that respect, the renegotiations are not linked to the cancelled transaction. Therefore, if the reporting agent submits a cancellation it will be processed accordingly, regardless of the reported renegotiation.

65. Should partial cancellations/terminations be reported?

**Eurosystem reply:** Partial cancellations or terminations must be reported as an amendment or correction, if they are made because of a reporting mistake. If a partial cancellation or termination corresponds to a renegotiation, the transaction should be reported as new – including new features of the deal and a new PTI/UTI.

66. Should total cancellations/full terminations be reported?

**Eurosystem reply:** An early termination of a trade should not be reported; nor should it be reported when the trade matures. However, if a cancellation is made because the trade does not exist (i.e. the transaction was reported by mistake and was never intended to take place), this should be reported as a cancellation.

67. **Updated:** Regarding early terminations before the maturity date, could you please clarify what should be reported in the case of a partial or full termination after the settlement date – a renegotiation of the initial contract, a new trade or a life-cycle event (i.e. no reporting)?

**Eurosystem reply:** For transactions with fixed maturity, there is nothing to be reported in this case. When partial or full termination can be foreseen by the contract or does not involve any renegotiation, and takes place before the maturity date, this is considered as a life-cycle event and does not need to be reported. Regarding transactions which must be reported on a daily basis (e.g. transactions with open maturity or evergreens), the guidance for the non-reporting of life-cycle events does not apply and a change in any of the variables of the transaction must be reflected accordingly in the newly reported rollover in which the variable effectively changes, independent of its cause or the point in time when the change has been agreed. In general, the date structure of the reported rollover continues to be reported as overnight. Partial reimbursements will therefore be reported with the respective rollover of the open transaction, as part of the update of all the reported fields.

68. Could you please clarify what should be reported in the case of increase events?

**Eurosystem reply:** Increase events should be reported as amendments or corrections if they correspond to a mistake in the reported data. If the increase is due to a renegotiation, the transaction should be reported as NEWT – including the new amount and a new PTI/UTI.

69. Please provide further information regarding the definition of a re-opening.

**Eurosystem reply:** Re-openings are currently outside the scope of the MMSR framework. We might however re-assess this position once we have gained experience with the reporting.

70. An existing transaction in the systems of the reporting agent has become eligible – e.g. due to a change of the counterparty sector classification caused by an initial classification mistake: from S11 (small enterprise) to S122. What should be reported in this case?

**Eurosystem reply:** The reporting agent should ignore the previous (suppressed/non-reported) transactions and report the latest version of the deal as a new transaction, including the original trade date and the new counterparty information.

71. An existing transaction in the systems of the reporting agent has become ineligible – e.g. due to a change of the counterparty sector classification caused by an initial classification mistake: from S12 to S11 (non-financial corporations *not* classified as ‘wholesale’). What should be reported in this case?

**Eurosystem reply:** The reporting agent should report a cancellation.

72. A transaction has been reported wrongly and is included in the Status Message file; consequently the Eurosystem expects to receive a corrected version of the trade. What should be done if the transaction has been cancelled? Report CANC?

**Eurosystem reply:** The reporting agent should report a cancellation of the trade.

73. As stated in the Reporting Instructions, in the case of revisions the following variables need to be provided:

- REPORTED TRANSACTION STATUS: this variable always needs to be provided.
- PTI: this variable always needs to be provided.

Furthermore, in the case of corrections and amendments all the variables have to be provided, even if they are unchanged. This also applies to cancellations. But this could be a problem when a transaction is reported with invalid information, e.g. the nominal transaction value is reported with seven instead of five decimals. When the reporting agent tries to send the cancellation for this trade, in order to send the original values later, the cancellation will also be rejected because the nominal transaction value will be reported with seven instead of five decimals. How can the reporting agent get that trade out of the system?

**Eurosystem reply:** In this example, if the nominal transaction value is changed to five decimals with status CANC, the cancellation will be processed accordingly. For cancellations most other data quality checks will not be executed.

## 1.2.4 Renegotiations

74a. **NEW:** How should benchmark transition events be reported?

**Eurosystem reply:** The MMSR Regulation requires reporting agents to report in respect of “agreements and transactions entered into”. The MMSR Reporting Instructions (Section 3.2) clarify that “when the terms of transactions are renegotiated at any time after the initial trade or changed following an **agreement between the parties**, e.g. where there are changes in the interest rate or maturity, the transactions resulting from these renegotiations will be transmitted as new transactions with the newly agreed transaction terms”. The same section also clarifies that life cycle events are not to be reported.

According to the rule above, if parties decide to agree on a new rate as part of their transition away from the original benchmark and ahead of the effective benchmark discontinuation, i.e. the interest rate clause in the contract for the reported transaction is changed by agreement of the parties, as a result of such ‘renegotiation’ the underlying transaction should be reported as a new transaction.

This, however, does not cover the following events which **should not be reported** (please also refer to the list of life-cycle events in Section 2.2.5 of the MMSR Reporting Instructions):

- (1) A change in a contract just to incorporate a fallback provision in the contract (so-called re-papering), as there is no immediate change in the applicable rate to the transaction at the time of renegotiation.
- (2) Cases in which the fallback event materialises during the maturity of the transaction, as the fallback event becomes a lifecycle event which is outside the control of the parties.
- (3) A benchmark rate (i) imposed by law on the parties’ instrument or contract (a ‘statutory rate’) or (ii) result of forced/organised transition at CCPs, as such cases are not considered as “renegotiated” terms of the contract.

74. A renegotiation of the nominal amount: could you please clarify what should be reported in the case of the following example?

- 14 November: Initially agreed nominal amount of EUR 5 million
- 25 November: An increase of EUR 3 million for the same transaction

**Eurosystem reply:** The example provided describes a renegotiation, since “renegotiations are all instances in which after the initial agreement, the parties of a financial transaction agree to modify the initially agreed financial terms applicable to the original transaction” (as specified in the MMSR Reporting Instructions). Therefore, the new amount of EUR 8 million should be reported on 25 November as a new trade.

75. Could you please clarify what should be reported in the case of renegotiations between the trade date and the settlement date?

**Eurosystem reply:** Renegotiation at any time after the initial agreement should be reported as a new transaction.

## 1.2.5 Novations

76. Normally in a novation the present value (market value) of the swap is settled between the two original counterparties. Is this something that needs to be considered in the MMSR submission? If so, how?

**Eurosystem reply:** The present value of the contract should not be reported under the MMSR framework.

77a. **NEW:** Should novations only be reported for fixed-term transactions?

**Eurosystem reply:** The requirement to report the novation flag applies to both fixed-term transactions as well as to transactions with open maturity or evergreens. In case of transactions with open maturity or evergreens, the PTI of the last rollover reported before the novation is reported as the Related PTI in the first rollover after the novation. Furthermore, the field Related PTI and the NOVA flag are reported only for the first rollover after the novation. For the subsequent rollovers the field Related PTI and the NOVA flag are not reported, unless another novation occurs.

77. In a novation almost all trade details remain the same. The initially agreed financial terms applicable to the original transaction are not modified. This includes the fixed rate. The fixed rate for the new swap can therefore be off-market. Is such an off-market rate a problem in the reports?

**Eurosystem reply:** The rate should represent the conditions of the financial contract as such. In that respect, the rate should be reported regardless of the fact that it could be seen as off-market. However, as there will be multiple checks on the transaction business level, this could lead to questions/enquiries from the Eurosystem to the reporting agent in the event that the reported data are seen as off-market.

## 2 Questions regarding the reporting requirements and field definitions

### 2.1 Questions regarding conceptual and field definitions for the BAH

78. Would it be possible to have a clear indication of the fields that are mandatory, the fields that are mandatory but for which NA value (not applicable) is allowed, and which fields are optional / conditional and which can be left blank.

**Eurosystem reply:** This information is set out in the Reporting Instructions, the XML messages documentation (XML schemas) and in the MMSR Data Quality Checks.

79. Timestamp: What does the timestamp for the field "Trade Date" correspond to?

**Eurosystem reply:** The timestamp should correspond to the execution time. Otherwise, it can be the booking time (the time at which the trade was recorded). The timestamp is reported as part of the trade date which allows for reporting in date-time format. Alternatively, if the execution time is not available, only the date can be specified in the reporting message.

80. Creation Date: should it be reported with a UTC/GMT time zone, or with information about a concrete time zone?

**Eurosystem reply:** The Creation Date should be reported as specified in the ISO 20022 documentation of the MMSR XML schemas – i.e. it should be aligned with the "ISONormalisedDateTime" and be reported with a UTC/GMT time zone (e.g. "2016-07-05T05:30:00Z").

81. Reference period: Is this always day T? Or should it be [T-n days; T] if there are amendments or transactions that are flagged with "NEWT"?

**Eurosystem reply:** The reference period must be reported as a period and not only a specific point in time. The reference period indicates to which period the transactions in the transmitted file refer – meaning the time from the last submission until the subsequent submission, as start and end of the reporting period. This is irrespective of whether the transactions are new or they are amendments, because this is the period when the deals have been conducted, amended, corrected or cancelled. Under the daily reporting for MMSR, the time could be the same in both subfields, while the date should have a difference of one business day. For instance:

BEGIN: 2015-05-12T18:00:00+01:00

END: 2015-05-13T18:00:00+01:00

Moreover, in the event that there are new trades or an amendment from a previous day, the reference period should also cover this previous day. For example, if the file reported in the evening of 14 December 2015 also included amended transactions from 9 December 2015, the reference period should be reported as follows:

BEGIN: 2015-12-08T18:00:00+01:00

END: 2015-12-14T18:00:00+01:00

82. Should the field Counterparty Identification contain the LEI of the Reporting Agent (if the Reporting Agent itself is transmitting the file) or the LEI of the "Sender" if a third party transmits the file? Example: Reporting Agent 1 sends the files for Reporting Agents 2 and 3. Is it correct that, in both cases, the "Sender" would be "LEI of Reporting Agent 1" and the "reporting agent" would be "LEI of Reporting Agent 2 and 3" respectively? Currently, the Reporting Instructions state that the "Sender" field "documents the sender of the message (either the reporting agent or the NCB) using the LEI".

**Eurosystem reply:** We agree with the stated approach. We foresee that the “Sender” would be “LEI of Reporting Agent 1” in both cases. In addition, the “Reporting Agent” would be “LEI of Reporting Agent 2” or “LEI of Reporting Agent 3”.

83. Interpretation of maturity: is the “maturity” in the Regulation and Reporting Instructions interpreted as “original maturity” or as “remaining maturity”?

**Eurosystem reply:** The maturity which is to be reported is the **original maturity**.

84. Could you please confirm that there will not be a need to report new transactions prior to the reporting start date and that there will not be a requirement to backload live transactions?

**Eurosystem reply:** The Eurosystem can confirm that the reporting agents will not need to report transactions prior to the reporting start date and there is no need to backload live transactions.

85. How will the Eurosystem treat transactions that are not reportable (over-reporting)?

**Eurosystem reply:** The Eurosystem expects all reporting agents to report all (and only) in-scope transactions. The data quality checks which will be carried out on the transmitted files will reject any transaction which falls outside the scope of the reporting framework. For systematic over-reporting, the Eurosystem may contact reporting agents and would urge them to find a solution.

86. Some reporting agents go through asset managers for their trades. Hence, the deal has two statuses: one in pre-allocation (initial) and one in post-allocation (final). The final characteristics are generally known one day after the Trade Date. Does the reporting agent have to report the two transactions (initial status and final status) or only the final status of the transaction? The problem would be that, if the two transactions should be reported, the reporting agent couldn't report the same PTI/UTI for the second report (final status), whereas in their IT system the transaction traded is the same. What would be the best approach in such a case?

**Eurosystem reply:** For such trades the reporting agents should report the contract conditions in pre-allocation and then, if there is a change in the transaction in post-allocation/final status, the reporting agent should send an amendment. This would solve the issue with the PTI.

87. Is there a difference in reporting a transaction with a) the total amount of money being exchanged on the settlement day or b) only part of the money being exchanged on the settlement day?

**Eurosystem reply:** There is no difference as the settlement details are not within the scope of MMSR.

88. Concerning Article 1(19) of Regulation ECB/2014/48: is it correct that reporting agents may choose whether they refer to the consolidation under commercial law (IFRS) or under banking supervision?

**Eurosystem reply:** No. Reporting agents should refer to the relevant legislation to determine whether they are classified as part of the “same consolidation”. If they are considered as part of the “same consolidation”, the transactions between the respective entities should not be reported under the MMSR framework.

89. Should transactions conducted before 1 April 2016 be reported? Should amendments performed after 1 April 2016 on trades conducted before 1 April 2016 be reported?

**Eurosystem reply:** Only transactions booked as of April 2016 should be reported. Amendments to transactions concluded prior to 1 April 2016 should NOT be reported.

90. Question regarding retail deposits. Please consider the following example: a wholesale counterparty deposits €2 million with an entity (term deposit) on 4 April (trade date), but the entity agrees with the counterparty to receive interest from 1 April (value date for interest purposes). Which date should be considered as the trade date and which as the settlement date?

**Eurosystem reply:** This transaction should be treated like a bond with a first long or short coupon period, but with a different logic. Agreeing to start the interest count on a day prior to the negotiation date is unusual but may happen in certain situations. In this case, the bank should report the trade date as 4 April and the settlement date as 1 April to match the interest rate period (please note that this may not match with the booking as it will create a trade that is booked four days late, which could cause audit trail problems).

91. Please see the following example: on 19 April an entity agreed with a counterparty to book a loan with a forward trade date (20 April 2016). This trade was reported on 19 April, with a Trade Date of 20 April, but two rejections were received: one because the Trade Date is after the Creation Date and the other because the Trade Date is after the End of the Reference Period (19 April 2016). Which date should be considered as the trade date and which as the creation date? Is it necessary to withhold reporting a trade until the trade date?

**Eurosystem reply:** The trade would have to be reported on 20 April (Reference Period End: 20 April 2016; Creation Date: 20 April 2016; Trade Date: 20 April 2016), i.e. one day later.

92. If a reporting agent becomes a “non-reporting agent” due to a merger, is there a need to report outstanding contracts?

**Eurosystem reply:** No, there is no need to report outstanding transactions.

93. **Updated:** In Section 2.1.3 of the Reporting Instructions, the following explanation is provided regarding the scope of the transactions which need to be reported for MMSR: “[...] *The qualifying principle is the location where the transactions are booked (at the reporting agent level, in all its branches located in the Union and in*

*the EFTA as well as for their branches located in the United Kingdom) and not where the transactions are originated or executed [...]’.*

Could you please clarify what exactly is meant by “booked”?

**Eurosystem reply:** The term “booked” should be interpreted from the dealing perspective, i.e. booked in trading systems (for reporting). The term “booked” in this section of the MMSR Reporting Instructions therefore does not refer to balance sheet recording of the reporting agent.

94. In this example, within a new issue a fund manager is buying EUR 1 million nominal of a bond in a block. After the trade has been completed the fund manager splits the block trade to their different funds (sub-accounts), e.g. EUR 600,000 for fund 1 and EUR 400,000 for fund 2. The block trade is cancelled. We suppose that, if the split is done on T, only the split trades should be reported. If the split is done on T+1, on T the block trade should be reported in order to avoid “late reporting”. On T+1 the block trade would be cancelled and the split trades would be reported with NEWT. It is impossible to send a CORR or AMND on the block trade once the split is done. Therefore it would be necessary to have the split trades in the system.

**Eurosystem reply:** This example refers to the reporting of the selling of securities (as a block trade) to a fund manager acting on behalf of funds (i.e. actually with a counterparty belonging to Counterparty Sector S123 or S124) and not to a transaction with another MFI (i.e. with a counterparty belonging to Counterparty Sector S122). Block trades, once initially booked as a primary market trade, can remain in the system without further amendments provided that the rebooking between funds does not alter the market features of the initial trade. Please note the following example:

Block trade: on 25 April Fund Manager A buys a CD issued by Bank B in the primary market, amount: 1,000; rate: x; maturity: six months.

The split is done on the following day, i.e. within Fund A:

- Fund Leo+ in Fund A buys 600 of this CD issued by Bank B, rate: x; maturity: six months; trade date: 25 April
- Fund Gamma in Fund A buys 400 of this CD issued by Bank B, rate: remains x; maturity: six months; trade date: 25 April

95. Additional question on block trades: is it possible to also report the split trades to allow the reporting agents to send CORR / AMND / CANC (which is impossible for the block trade as the respective PTI is cancelled in the internal systems once the split is carried out)? The information of the block trade and split trades is the same, apart from the fact that the volume and number of transactions is divided.

**Eurosystem reply:** This example refers to the reporting of the selling of securities (as a block trade) to a fund manager acting on behalf of funds (i.e. actually with a counterparty belonging to Counterparty Sector S123 or S124) and not to a

transaction with another MFI (i.e. with a counterparty belonging to Counterparty Sector S122). We confirm that it is also possible to report the split trades of the block trade if the details of the split are known at T and in case the split trades can be reported within the timeliness requirements of the MMSR. In principle, the reporting should follow one of the following two options (if the information of the block trade and the split trades is the same, apart from the fact that the volume and number of transactions are divided):

- In the general case the block trade is reported within the timeliness requirements of the MMSR. Afterwards, the reporting agents amend, correct or cancel the block trade, if necessary.
- Alternatively,
  - for those reporting agents transmitting only one single file per day: the split trades are reported within the timeliness requirements of the MMSR. Afterwards, the reporting agents amend, correct or cancel the split trades, if necessary;
  - for those reporting agents transmitting multiple files per day (based on an agreement with the relevant NCB for following such a reporting pattern): initially, the block trade is reported at T and, once the details of the split are known, the block trade is cancelled and the split trades are reported, but only in case the split trades can be reported within the timeliness requirements of the MMSR. Afterwards, the reporting agents amend, correct or cancel the split trades, if necessary.

## 2.2 Questions regarding conceptual and field definitions for *multiple* segments

96. PTI: is it correct that the PTI must always be reported?

**Eurosystem reply:** This is correct. Regardless of whether or not a UTI is reported, PTI is a mandatory field.

97. Annex I of the Reporting Instructions defines a set of codes. Regarding CL\_COLLATERAL\_ISSUER\_SECTOR and CL\_COUNTERPARTY\_SECTOR: is there a specific directory where the definition of these classifications can be found? As regards the category S12: is S12 a classification on its own or is S12 the “host group” to which all the others (S121 to S129) belong? If it is a separate group, what is the exact definition?

**Eurosystem reply:** Please note that the code lists applied for the MMSR data collection via the Reporting Instructions are based on and refer to the European System of National and Regional Accounts – ESA2010 (which, in turn, is based on the System of National Accounts – SNA2008 statistical framework). The ESA2010 contains the definitions of the listed classifications.

In general, S12 is the “host group” to which the subgroups (e.g. S121 or S129) belong.

98. Counterparty identification: experience with EMIR shows a number of counterparties still do not have an LEI code. In this respect, would it be possible to report with an internal identifier while awaiting the attribution of a correct LEI code?

**Eurosystem reply:** The Legal Entity Identifier (LEI) code must be used in all circumstances where the counterparty has been assigned such an identifier. The counterparty sector and counterparty location must be reported if an LEI code is not assigned.

99. Counterparty identification: a reporting agent could conduct transactions facing third-country entities (counterparties that are not located in EFTA) and have problems trying to categorise them.

**Eurosystem reply:** Regardless of the location of the counterparty, the LEI must be provided.

100. Counterparty identification: for the purposes of internal mapping and the correct identification of counterparties in the reporting agents’ systems, could you please specify which European System of Accounts (ESA) 2010 codes are applicable to credit institutions and supranational authorities?

**Eurosystem reply:** The applicable sector code for credit institutions is S122 (Deposit-taking corporations except the central bank).

There is no single unique code in the ESA 2010 framework which could be assigned to supranational authorities.

101. Counterparty identification: if the LEI cannot be provided because a financial counterparty to a transaction has not applied for one, how should we complete the details of the transaction?

**Eurosystem reply:** If the LEI is not available then the counterparty sector and location are mandatory. However, this should only be applicable in strictly exceptional cases and in all these cases the reporting agents will be asked to clarify this information.

102. How can it be precisely identified whether or not a counterparty is a supranational authority? Could the ECB provide a detailed list of supranational authorities?

Otherwise, can the BAFI classification be used? I.e. the following codes:

- 418 (non-financial international organisations)
- 738 (international development banks and international financial organisations)
- 732 (foreign central banks)

- 701 (national central banks)

**Eurosystem reply:** Supranational authorities should not be classified via a code list. If the reporting agent conducts a transaction with a supranational authority, this entity should be identified via its LEI. Consequently the COUNTERPARTY IDENTIFICATION field should contain the LEI, while the COUNTERPARTY SECTOR and the COUNTERPARTY LOCATION fields should be empty. In any case, no code lists, apart from the ones provided in the MMSR Reporting Instructions, should be used.

Furthermore, there is no exact methodology for identifying supranational authorities. However, if the reporting agents would like to facilitate the classification, they can do so by classifying an entity as a supranational authority if it falls under the conditions of BAFI codes 418 (non-financial international organisations) and 738 (international development banks and international financial organisations). Please note that this does not limit the possibilities for an entity to be considered supranational – it can be a supranational authority even if it is not part of BAFI 418 or BAFI 738.

A non-exhaustive list of supranational authorities is provided in Annex V of the MMSR Reporting Instructions.

103. Are the following ESA codes correct?

- hospital/university hospital: S13
- private bank: S122
- individual: outside scope of MMSR
- financial vehicle corporation: S125

**Eurosystem reply:** Yes. Please note that the Legal Entity Identifier (LEI) code must be used in all circumstances where the counterparty has been assigned such an identifier. The counterparty sector and counterparty location must be reported if an LEI code is not assigned.

104. Some international organisations do not have an LEI (e.g. African Export-Import Bank etc.). As an alternative, counterparty sector and counterparty location could be reported. However, ISO 3166-1 alpha-2 allows only alphabetic characters (like DE for Germany), but international organisations have different codes in which numbers also appear. So reporting the counterparty sector and location would then be impossible, because transactions reported in that way would be rejected. How should reporting agents report in these cases?

**Eurosystem reply:** If the counterparty location code differs from the ISO 3166 standard, the reporting agent should provide the country where the headquarters of the supranational authority are located.

105. Which party should be identified as the counterparty? Should the paying agent be reported since settlements will be handled by/through this party?

**Eurosystem reply:** The counterparty is the party with whom the transaction has been concluded – i.e. the institution which has taken up a legal obligation to lend the cash borrowed by the reporting agent, in the case of borrowing transactions, or has agreed to borrow from the reporting agent in the case of lending/purchase of securities.

106. Counterparty sector: will there be any mapping between reporting codes and the codes defined by each NCB?

**Eurosystem reply:** A provision for mapping the reporting codes is not envisaged. The Eurosystem will be using ISO 20022 standards and the ESA 2010 (Regulation (EU) No 549/2013) which fully conform to the international statistical standards (2008 SNA). This approach is meant to facilitate international comparisons and foster a richer analysis of the results, also in the light of other statistics like those on credit institutions' balance sheets and interest rates. The conversion between reporting codes should be applied by the reporting agent.

107. Counterparty location: which location should be reported?

**Eurosystem reply:** The country of incorporation should be reported.

108. How should the time zone information be reported for "Trade Date"? For example, if the Trade Date and Time is 18:00 IST (Indian Standard Time – 05:30 hours ahead of GMT) on 26 November 2014, should it be reported as:

- a. 2014-11-26T18:00:00-05:30 OR
- b. 2014-11-26T12:30:00+05:30

**Eurosystem reply:** 2014-11-26T12:30:00+05:30.

109. Regarding the field "Basis Points Spread": if a variable interest rate is reported, the basis point spread also needs to be reported. However, it might be that a cap or floor is also agreed. This cap or floor cannot be reported under MMSR. The question is whether it should be ignored or whether it should be included in the reporting if it would be relevant on the first reporting date. To illustrate this issue, let us assume the following example:

Transaction with Euro OverNight Index Average (EONIA) + 20 bp; floor: 0.0%. On the trade date the EONIA is -0.24.

Reporting alternative A:

Basis point spread: +20bp as agreed in the contract and ignoring the agreed floor

Reporting alternative B:

Basis point spread: +24bp because the "real" interest rate of this day is 0

A reporting of EONIA and basis point spread would mean that market analysts would assume a slightly negative interest rate. However, the “real” interest rate of this day is 0, as the floor is relevant for the counterparty.

**Eurosystem reply:** Option A is correct as the reporting framework should reflect the contractually agreed specifics of the deal.

110. Trade Date/Settlement Date/Maturity Date: should the reporting agent specify the time zone if the Trade Date is provided as *Date* and not as *DateTime*; if yes, how should this be performed?

**Eurosystem reply:** The reported Date should correspond to the date in the CET time zone. The same applies to all variables which are reported using the Date format, e.g. 2014-11-26 stands for 26 November 2014 CET.

111a. **NEW:** Trade Date/Settlement Date: Can transactions be reported with Trade Date and Settlement Date falling on a TARGET2 closing date?

**Eurosystem reply:** As a general rule:

- For transactions with open maturity and evergreens, the rollover is reported with Trade Date and Settlement Date falling on TARGET2 business days only;
- For fixed term operations, the reported Trade and Settlement Date are the ones agreed and usually fall on TARGET2 business days;
- For fixed-term operations with automatic renewal, the correct reporting depends on the specific contractual requirements. In general, the Trade Date and Settlement Date reported are the ones specified in the specific contractual agreement, i.e. if the fixed-term operation matures on a TARGET2 closing day and the contract between the two counterparties indicates that the parties can renew the operation also on TARGET2 closing days, then such operations are reported with Trade Date and Settlement Date on the respective TARGET2 closing day.

111. Maturity date: should a reporting agent indicate the residual period of a deal?

**Eurosystem reply:** No, the residual period should not be reported, only the original maturity.

112a. **NEW:** Maturity date: In case the reported Maturity Date refers to the first date on which the termination can occur, how shall the Maturity Date be reported for agreements in which the notice period is expressed in calendar days or business days?

**Eurosystem reply:** In general, notice periods can be agreed both in calendar days and in business days. For transactions for which the reported Maturity Date refers to the first date on which the termination can occur (as e.g. for open evergreens), the reported Maturity Date is calculated based on the notice period as specified in the underlying transaction agreement.

112. Maturity date: should we consider TARGET2 closing days when reporting the maturity date for open-ended trades? If the appointed maturity date falls on a weekend should the maturity date be reported “rolled” (the next TARGET2 business date) or “unrolled”?

For instance: a trade rolls on 30 April (1 May being a TARGET2 closing day). What would be the maturity date for this trade? 1 May or 2 May?

Another example:

(a) unrolled on 2016/08/06 (Saturday)

(b) rolled on 2016/08/08 (Monday)

**Eurosystem reply:** Reporting agents report maturity dates as they have been negotiated:

- However, deposits, call accounts, secured trades or FX swaps cannot settle and therefore cannot mature on TARGET2 closing days, and thus reporting agents would usually negotiate maturity dates falling outside 1 May and Saturday 6 August in these examples. Therefore, reporting agents would report the effective maturity date, which is on a TARGET2 business day.
- For short-term securities, the same logic applies – if such mismatches occur, the maturity of the instrument has to be reported as issued. These mismatches are, however, more frequent with long-term securities than with short-term securities that are reported for MMSR.
- If a transaction is negotiated with a settlement or maturity date falling on a TARGET2 closing day, it should be reported as it was negotiated and booked.

113. Transaction nominal amount: should the notional or principal nominal amount be reported?

**Eurosystem reply:** It varies depending on the segment and instrument. The MMSR Reporting Instructions provide clear definitions.

114. Transaction nominal amount: how should the transactional nominal amount be reported in cases where there is a redemption scheme?

**Eurosystem reply:** Regardless of whether or not the transaction is with a redemption scheme, reporting agents should report the initial transaction nominal amount. Please note that life-cycle events should not be reported.

115. Transaction nominal amount: Should the nominal amount be the cash paid/received at the beginning of a transaction? Should a premium or discount (agio or disagio) be included?

**Eurosystem reply:** For deposits, call accounts, secured trades and FX swaps the nominal amount should be the cash paid/received at the beginning of a transaction, based on the euro amount. In the case of debt securities it is the nominal amount of the security issued/purchased. The premium/discount which results from the product of such nominal amount, multiplied by the transaction deal price (not the clean price, but rather the “dirty price” that includes accrued interest at the issuance rate for coupon-bearing securities and the discount price for discount securities), needs to be reported separately.

116. Transaction nominal amount: for equity loans does the Transaction Nominal Amount field refer to cash (number of equities multiplied by the price)?

**Eurosystem reply:** Yes.

117. Deal rate: this can be a rate (as a percentage or basis points), but it can also be a fee (as an amount); in certain cases involving securities lending a reporting agent could even negotiate the fee at the portfolio level (payable at variable terms). Could you please specify what should be stated within the reporting?

**Eurosystem reply:** According to the MMSR Reporting Instructions, a fee amount is converted into a percentage per annum on the transactional nominal amount.

118. Deal rate: how should open repos and operations with several fixing periods be reported? Should each fixing be reported separately?

**Eurosystem reply:** Each open basis repo rollover should be reported as a separate transaction with its own deal rate. Floating rate instruments need to be reported when initially concluded, indicating the reference rate and the spread. There is no need to report each fixing.

119. Deal Rate: is the dot (“.”) included in the total length?

**Eurosystem reply:** No.

120. Deal Rate: how should the sign in the XML files be reported?

**Eurosystem reply:** When reporting the field “Deal Rate”, the appropriate sign should be included within the designated tag.

For instance, negative rates should be reported as follows:

-0.339 =>

`<DealRate>-0.339</DealRate>`

... while positive rates should be reported as follows:

0.339 =>

`<DealRate>0.339</DealRate>`

121. Deal Rate: which type of interest needs to be reported for those contracts which are between 365 and 397 days? For this particular case should it be simple interest rate or compounded?

**Eurosystem reply:** In the case of deposits, repos, etc. it should be the contractually agreed interest rate (simple). In the case of debt instruments it should be the yield to maturity, or the discount margin for floating rate notes (FRNs).

122. Deal Rate: as there are different methods for calculating the adjusted interest rate using different approaches, can reporting agents use a conversion of the interest rate other than ACT/360 (e.g. International Capital Market Association (ICMA) conversion of act/act)?

**Eurosystem reply:** Reporting agents have to report interest rates expressed in accordance with ACT/360 money market convention.

123. Reference Rate Index: What should be reported when the reference rate used in a transaction is the euro short-term rate (€STR)?

**Eurosystem reply:** The International Securities Identification Number (ISIN) assigned to the €STR is EU000A2X2A25 and this ISIN should be reported when applicable in line with the MMSR Reporting Instructions.

124. Reference Rate Index: what should be reported if there is more than one reference rate index applicable for a transaction?

**Eurosystem reply:** Under ISO 20022 only one reference rate index can be reported. Therefore the reference rate index with the biggest influence should be reported.

125. This question concerns the Reference Rate Index: for testing purposes only, we have sent in a submission with a non-existing Reference Rate Index – please see below:

```
<LEI>R0MUWSFPU8MPRO8K5P83</LEI>
</CtrPtyId>
<TradDt>
<Dt>2016-03-10</Dt>
</TradDt>
<SttlmDt>2016-03-10</SttlmDt>
<MtrtyDt>2016-03-14</MtrtyDt>
<TxTp>BORR</TxTp>
<InstrmTp>DPST</InstrmTp>
<TxNmnlAmt Ccy="EUR">10000000</TxNmnlAmt>
<DealPric>100</DealPric>
<RateTp>VARI</RateTp>
<FltgRateNote>
<RefRateIndx>EU0009652786</RefRateIndx>
<BsisPtSprd>0</BsisPtSprd>
</FltgRateNote>
```

</Tx>

This submission has been accepted, even though the ISIN EU0009652786 does not exist. Are you able to say whether a data quality check is carried out on the content of the field for the Reference Rate Index? This field should meet general “format rules”, but it seems that no check is carried out to verify if the ISIN exists or not. Is that assumption correct?

**Eurosystem reply:** ISIN codes for the reported Reference Rate Index will undergo format Data Quality Checks to make sure they comply with the respective ISO requirements. Whether the reported ISIN codes actually exist will not be verified during the technical Data Quality Checks, scheduled to be performed on the file and transaction level upon receipt at the ECB. However, the reported ISIN codes will nevertheless be checked on the day that the data are received to ascertain whether they actually exist and are correct. If an ISIN code has been incorrectly reported, the Eurosystem may contact you in order to clarify the issue and obtain the correct ISIN.

126. If a reporting agent does not use, for example, EURIBOR or LIBOR as a reference rate but uses an individual cost rate instead that does not have an ISIN, which ISIN must be reported for the field "Reference Rate Index"?

**Eurosystem reply:** In this scenario, no dummy ISIN is required. However, because a rate will be calculated based on the reference to which the basis point spread is added, and as this rate is used for internal purposes only and is not known by definition, the reporting agent will instead have to report the final rate with Rate Type “FIXE”.

127. Basis Point Spread/FX Forward Point: Those fields should be completed as a positive or negative number according to the rules set up by the Reporting Instructions and the documentation of the MMSR XML schemas (ISONumber and ISODecimalNumber); consequently these variables should include a sign. However, there is no a separate tag for a sign. Could you please specify how this should be reported?

**Eurosystem reply:** The sign should be reported by including a prefix (with the +/- sign) to the numerical digits.

128. Basis Point Spread/FX Forward Point: according to the rules set up by the Reporting Instructions and the documentation of the XML schemas this number (ISONumber and ISODecimalNumber) should be signed; however, is the sign (“+” or “-”) included in the total length? Moreover, is the dot (“.”) included in the total length?

**Eurosystem reply:** The sign and the dot [.] are **not included** in the total length.

129. How should transactions with a “future” trade date be reported?

**Eurosystem reply:** If the trade date is in the future then the reporting agents are expected to postpone the reporting of this deal and to submit it only on the actual date of the trade.

## 2.3 Questions regarding conceptual and field definitions for the *secured* segment

130. Regarding the secured market: In case of amortising underlying should we report the original nominal or the current nominal of the security?

**Eurosystem reply:** The reporting agent should report the collateral amount pledged in the reported transaction – as at the moment when the deal was executed. There is no need for the amortisation of the underlying to be reported.

131. Are transactions relating to forfeiting within the scope of reporting?

**Eurosystem reply:** Transactions relating to forfeiting (i.e. corporate lending secured by trade receivables) are not within the scope of the secured segment. Also the payments between banks related to forfeiting do not have to be reported.

132. If the cash leg of a repo transaction is in a foreign currency (and not in euro) but only the collateral is in euro, could you please confirm that this transaction should not be reported?

Moreover, if the cash leg is in euro but the collateral is not, the collateral nominal amount needs to be converted into euro (according to the MMSR Reporting Instructions); could you please confirm this?

**Eurosystem reply:** We confirm that both assumptions are correct.

133. A strategy composed of several repo trades: should all of them be reported? If so, in which way should they be reported, separately or as an aggregate? And in relation to this example, if the strategy is composed of different repos some of them with maturity over 397 days after settlement – should any of the repos in scope be reported? On the contrary, if the whole strategy is designed in a time frame over 397 days, should any of the trades contained in it be reported?

**Eurosystem reply:** All repos should be reported separately, regardless of whether they are part of a strategy or not. Only MMSR-eligible transactions should be reported – in that respect, any deals with maturity over 397 days after settlement should not be reported.

134. If a security lending (against cash) is terminated prior to the maturity date and this termination has been executed without payment of a penalty fee, but the collateral has simply been returned to the lender, is this reportable under MMSR?

**Eurosystem reply:** This early termination should not be reported.

135. Are repo transactions collateralised by commodities within the scope of reporting?

**Eurosystem reply:** Yes, these operations are within its scope.

136. Could you please provide further clarifications regarding the operations conducted in “New MIC” (market for collateralised interbank deposit)?

**Eurosystem reply:** They should be reported as secured/collateralised transactions.

137. Regarding collateralised interbank loans, the loans are in general comparable to the loans reported in, for example, the monetary financial institutions (MFI) Interest Rate Statistics (although of course the counterparty is not a private household or a non-financial corporation but a credit institution). Therefore, all different levels of collateralisation are possible – from 0% to 100% – and also all different types of collateral are used in practice. Owing to this range of possibilities, it would be advisable to include all interbank loans (irrespective of the collateralisation) in MMSR.

**Eurosystem reply:** Only new MIC collateralised loans have to be reported.

138. Collateralised interbank loans as secured transactions:

According to the MMSR Regulation, “all repurchase agreements and transactions entered into thereunder, including tri-party repo transactions” need to be reported in the secured market segment. Nr. 22 of Article 1 of the Regulation defines a “repurchase agreement” as follows: “‘repurchase agreement’ means an agreement under which the parties thereto may enter into transactions in which one party (‘seller’) agrees to sell to the other (‘buyer’) specified ‘assets’ (‘securities’, ‘commodities’ or ‘other financial assets’) on a near date against the payment of the purchase price by the buyer to the seller, with a simultaneous agreement by the buyer to resell to the seller the assets on a fixed future date or on demand against the payment of the repurchase price by the seller to the buyer. Each such transaction may be a repurchase transaction or a buy and sell-back transaction. ‘Repurchase agreement’ can also mean an agreement to pledge assets and give a general right of reuse in exchange for the loan of cash on a near date and repayment of the loan and interest on a far date in exchange for the return of the assets. Repurchase transactions may be undertaken with a predefined maturity date (‘fixed-term repurchase transactions’) or without a predefined maturity date leaving both parties the option to agree to roll over or terminate the agreement each day (‘open basis repurchase transactions’);”

(1) It appears that this definition allows only for loans that are collateralised with one of the above-mentioned assets (=> this constellation is usually conducted as a repo). The reporting of other collateralised loans seems difficult under this definition as they are not transactions related to repos.

(2) In addition, transactions with, for example, real estate collateral appear to be outside the scope from the perspective of the Regulation, as only securities, commodities and other financial assets are mentioned therein. Is that correct?

(3) Systems for collateralised interbank lending but also for collateralised lending to other sectors that are reportable in the secured market segment would have to be included in MMSR, which does not seem to be in line with the purpose of MMSR.

→ Reporting of collateralised interbank loans as secured transactions would cause a lot of additional work (and therefore additional costs) for reporting agents, as, to date, internal systems for collateralised loans are not usually included in MMSR. Given that the Q&A document states that transactions conducted under the "New MIC" (market for collateralised interbank deposit) should be reported, it might be worth considering not to impose the obligation to report collateralised loans (apart from "repo-like-transactions") so as not to increase the reporting burden for the reporting agents.

**Eurosystem reply:** Under the current stance, only transactions entered under the new MIC should be reported, while other types of collateralised interbank loans are out of the scope.

Please note that collateralised interbank loans are reportable (as new MIC) provided indeed they are collateralised by financial assets or commodities.

139. Should T-bills be reported?

**Eurosystem reply:** T-bills alone are outside the scope of Regulation ECB/2014/48. T-bills should only be reported (with their ISIN code) if used as collateral in repo and securities lending operations.

140. How is one meant to report in the secured market segment as far as equities or bonds are concerned in the collateral basket? The collateral for such trades is exchanged on a total Client position day-by-day basis and cannot be mapped to a specific reportable transaction entered into that day. In most cases it is a basket of equities only but in some cases bonds could also be included. That presents a significant issue not only with regard to Tri-party deals, but also with respect to bilateral trades.

**Eurosystem reply:** Individual ISINs should be reported in the case of a repurchase transaction with one or more (in the case of multi-collateral repos) pieces of collateral (e.g. if a transaction is backed by five different pieces of collateral, five ISINs are to be provided). If a basket contains various asset classes and it is not possible to identify the basket via a generic single ISIN, then the applicable Collateral Type, Collateral Issuer Sector, Amount and Pool information should be provided. The Collateral type should be populated with the Classification of Financial Instruments (CFI) code of the asset representing the largest piece of collateral among those in the basket. If the split between securities or asset classes is not known on the trade date, the trade should be amended as soon as possible by the reporting agent.

141. At the trade date of a tri-party repo the composition of the collateral pool is not yet known. Therefore it is not possible to report an ISIN code. In accordance with the Reporting Instructions, therefore, the field Collateral Type will be populated with a CFI in the Other Collateral block of the message. Again, in accordance with the Reporting Instructions, whenever the ISIN is not provided, the Reporting Agent has to provide the Collateral Issuer Sector. However, in order to know the Issuer Sector, it is necessary to know the composition of the pool, which will only be possible on the

settlement date. If the field is left blank, the message will be rejected. In view of this, what is the reporting agent expected to report in this particular case? Is the reporting agent supposed to postpone the reporting of the trade until the pool composition is known or report at the trade date but using a generic Issuer Sector code?

**Eurosystem reply:** If the collateral cannot be identified via an ISIN, and the respective "Collateral Type" and "Collateral Issuer Sector" are not known at Trade Date, the reporting agent should report a generic or assumed value for the fields "Collateral Type" and "Collateral Issuer Sector". When the correct information is available to the reporting agent (presumably at Settlement Date), it should send an amendment to this transaction which specifies the correct "Collateral Type" and "Collateral Issuer Sector". Moreover, if the collateral is representing a pool/basket which contains more than one asset class/issuer, the reporting agent should specify the information for the asset class/issuer which represents the prevailing share of the collateral pieces in the pool/basket. Alternatively, if the reporting agent is aware of the different asset classes/issuers in the pool, it should repeatedly use the block "Other Collateral" in order to specify the "Collateral Type" and "Collateral Issuer Sector" for the different asset classes/issuers which are contained in the pool.

142. Should reverse repos for clients that are not interbank clients (i.e. credit institutions) be reported?

**Eurosystem reply:** All repo and reverse repo transactions with all MMSR-eligible counterparties should be reported – i.e. between the reporting agent and financial corporations (except central banks where the transaction is related to Eurosystem monetary policy operations and standing facilities) general government or NFCs classified as "wholesale" under the Basel III LCR framework.

143. With regard to a special constellation in the MMSR secured market segment, a repo transaction may include a dividend payment in cash during the term of the transaction. This dividend payment, included in the interest rate of the transaction, could cause a rate of up to -20%, as this rate acts as a premium to assure the cash payment of the dividend instead of (for example) the payment of subscription rights.

Would this method of reporting be correct? In such a case, there would be no possibility to calculate and report an interest rate that would exclude the premium paid. However, the rate reported would not represent a market rate which is high due to a bad credit rating of the reporting agent/counterparty or urgent need for the security.

**Eurosystem reply:** Reporting agents should transmit all the data which is part of the transaction, as is the case here. In this particular instance, the following WARNING would be triggered:

ADQS201: DEAL RATE [DEAL RATE value] is lower than ECB Deposit Facility Rate [ECB Deposit Facility Rate value] – 5.0 percentage points which would allow us to monitor this case.

144. Should compression trades transactions be included in the scope of MMSR, as the original transactions were already reported? The compression trades are not new transactions with "fresh money", but rather a mapping of more than one transaction. In addition, reporting them would cause problems as the settlement date is set to a specific date in the past.

Example:

PTI 1: A - B: EUR 10 Mio

PTI 2: B - A: EUR 8 Mio

The compression trade would terminate both transactions (after the settlement date, so no CANC would be expected to be sent), and conduct a "new" transaction of EUR 2 million with the original settlement date. Should this trade of EUR 2 million be reported?

**Eurosystem reply:** Such netting/mapping deals are outside the scope of MMSR.

145. Counterparty sector and Collateral issuer sector: as there might not be possible to have the ESA 2010 classification implemented into the systems of the reporting agents, is it possible for the ECB to provide a mapping – between ESA classification and other standards, such as NACE – which to be used for facilitating the reporting?

**Eurosystem reply:** Unfortunately, it is not possible to establish a one-to-one mapping between the NACE classification of economic activities and the ESA institutional sector classification. In particular, the decision on the sector classification for statistical purposes depends on factors (such as legal control, ownership, losses covering, etc.) which are not necessarily related to the kind of activity performed by the unit.

- 146a. **NEW:** How should the collateral be reported in case of a pool that cannot be identified by a single generic ISIN, while the multiple securities contained in the pool can all be identified by individual ISINs? Should the collateral of this transaction be reported as Multiple Collateral providing the individual ISINs or as Other Collateral with Pool Status?

**Eurosystem reply:** In this case Other Collateral with Pool Status "POOL" has to be reported, as the information on the characteristic of the collateral as being a pool is at a higher level than the ISIN information of the individual pieces of collateral and is therefore the dominant criterium in this case.

146. Collateral ISIN: in case the collateral is a new issue, it might be the case that the ISIN is only known 1 or 2 days after the issuance. As the reporting of an ISIN is only necessary for "ISIN of collateral" in the secured market segment (and this is an optional field), would it be sufficient to report "collateral type" and "collateral issuer sector" in these cases? And additionally, would you expect to receive an amendment with the ISIN when it's known after 1 or 2 days?

**Eurosystem reply:** If the ISIN is not known to the reporting agent when the reporting should take place, then “collateral type”, “collateral issuer sector” and “pool status” should be reported. If the exact COLLATERAL TYPE and COLLATERAL ISSUER SECTOR are not known, the reporting agent should provide an assumption on what the collateral would represent. In such cases, we expect the transaction to be resubmitted as an amendment, containing the ISIN of the collateral, as soon as the reporting agent has obtained the necessary information.

147. Collateral type: For repos, what are the "collateral types"?

**Eurosystem reply:** The reporting agents should report the CFI code – ISO 10962:2015 under the field collateral type.

148. Collateral type: ISO 10962 is a quite complex code – what level of detail is expected to be provided for that field?

**Eurosystem reply:** The reporting agents should report as much detailed code as possible, i.e. aim to complete all six levels of the CFI code to the extent possible. For instance:

Equities	- 1 level
Common/ordinary shares	- 2 level
Non-voting	- 3 level
Restrictions	- 4 level
Partly paid	- 5 level
Bearer	- 6 level

→ should be reported as ESNTPB

However, the first two levels of the CFI code must be provided (minimum requirement). For instance:

Equities	- 1 level
Common/ordinary shares	- 2 level

→ should be reported as ESXXXX

Please note that in the case of a basket which contains various asset classes and where it is not possible to identify the basket via a generic single ISIN, then the applicable Collateral Type, Collateral Issuer Sector, Amount and Pool information should be provided. The Collateral type should be populated with the CFI code of the asset representing the largest piece of collateral among those in the basket.

149. When completing the pertinent field for collateral type, we enter DB. However, we still receive the following error message:

DQS2001 - Invalid code [COLLATERAL TYPE value] provided for field COLLATERAL TYPE.

Can you please explain what the error is?

**Eurosystem reply:** The data quality check was triggered because this variable has to be reported with a length of six characters (not two), in line with the Reporting Instructions and the ISO documentation. Therefore, if you report the first two levels of the code only, using the example above this should be reported as "DBXXXX".

150a. **NEW:** How should margin calls be reported?

**Eurosystem reply:** Two issues should be distinguished. In the first place,

for transactions with a **fixed maturity**, life cycle events such as, inter alia, margin calls and collateral substitutions<sup>1</sup> will not be reported. These are events in the life cycle of transactions that are already foreseen to take place on the basis of the transactions terms or on the basis of the master agreement governing the transactions or imposed on one or both of the parties, and do not involve a renegotiation. Regarding transactions with **open maturity** or evergreens which must be reported on a daily basis, the above guidance for the non-reporting of life-cycle events does not apply and a change in any of the variables of the transaction must be reflected accordingly in the newly reported rollover, independent of its cause.

Secondly, margin calls are not to be reported in the case of repos. Only in the case of securities lending, margin calls play a role as they have an impact on the overall cash collateral of the operation. Any adjustments to the cash collateral **at trade level** in an open securities lending transaction shall be reported as an update to its Transaction Nominal Amount. This does not capture other margin calls events which take place at counterparty or portfolio level. Moreover, in case the counterparties have agreed for a securities lending transactions that the cash collateral is adjusted at trade level following a certain formula depending on the respective market price of the security, the resulting updated values of the Transactions Nominal Amount are reported accordingly with each rollover.

150. **Updated:** Collateral haircut: the haircut formula should be more clearly defined (100 - a ratio)?

**Eurosystem reply:** For reporting purposes, the collateral haircut should be calculated as 100 minus the ratio between the cash lent/borrowed and the market value including accrued interest of the collateral pledged multiplied by 100.

For this purpose "cash" means "the amount exchanged between the two parties" and "market value" means "the dirty price". In case of a transaction with a fixed maturity, the price to be used for the calculation of the reported Collateral Nominal Amount and Haircut should refer to the input price of the transaction. In case of the reporting of rollovers for transactions with open maturity or evergreens, the input values to be used refer to the market price on the reported Trade Date, and in case the collateral has no market price on the reported Trade Date, to the latest available market price. While all market prices occurring during the course of the Trade Date can be used for the calculation, the usage of the market closing price is recommended. In case

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<sup>1</sup> For the full list events which are considered as life cycle events, please refer to the MMSR Reporting Instructions.

both the reported Total Nominal Amount as well as the Collateral Nominal Amount are updated based on the price of the collateral, the same input price should be used for both reported values.

In the case of multi-collateral repos, the haircut will be based on the ratio between the cash borrowed/lent and the market value (including accrued interest) of each of the individual collateral pledged.

Only actual values, as opposed to estimated or default values, should be reported for this variable.

The haircut is computed as follows:

$100 - (\text{cash lent or borrowed} / \text{market value including interest}) * 100$  => it measures the surplus/deficit of the collateral price relative to the cash lent/borrowed. A haircut of, for example, 5% is therefore reported with a value of "5".

In the case of multi-collateral repos, a weighted average haircut for the whole set of collateral pieces has to be reported, as this field can only be reported once per transaction.

151. Collateral haircut: could you please clarify which value should be used for "Cash lent/borrowed"? Is it the amount paid at the beginning of the transaction or is it the amount repayable?

**Eurosystem reply:** This is the cash paid at the beginning – when the transaction is conducted.

152. Which nominal amount should be reported on day T if the reporting agent has negotiated the collateral on day T+1?

On T+1 the collateral is agreed with the counterparty and the trade is settled.

**Eurosystem reply:** In the example given, the reporting agent should report this transaction as follows:

- On date T (trade and negotiation day) the transaction should be reported with the details that can be given at the close of the day
- On date T+1 the transaction collateral details are provided as an amendment (AMND)
- On date T+2 the reporting agent can update the collateral nominal amount if it has been modified; meanwhile, the transaction nominal amount remains unchanged.

153. Tri-party Agent Identification: What should be reported if the tri-party agent has no LEI? More specifically – when a tri-party agent is a branch and has no LEI, but its parent company LEI is available.

**Eurosystem reply:** In those cases, the reporting agents should report the LEI of the parent company.

154. This question concerns fields that are not required. For example, in the secured segment, there are a number of fields that are required only for floating rate repo transactions. If there are no floating rate repos, should these fields be left blank or should they be taken out of the message entirely?

**Eurosystem reply:** If a field does not apply to a certain message – i.e. because it is an optional one which will not be populated – the respective tag should not be included in the message.

## 2.4 Questions regarding conceptual and field definitions for the *unsecured* market segment

155. Should the “call account” instrument type for the unsecured market segment also include collateral cash accounts? If that is the case, how should it be reported?

**Eurosystem reply:** Collateral cash accounts are not required to be reported.

156. Regarding the description of call accounts – specifically cash accounts without any maturity and without any obligation or period to notify a money withdrawal – the interest rate applied on these accounts is a variable interest rate, e.g. a monthly average of the EURIBOR 3M daily. Should these kinds of cash accounts be reported?

**Eurosystem reply:** Those instruments are deemed to be outside the reporting framework as they are considered to be more like current accounts, and not call accounts – especially if they are “without any obligation or period to notify a withdrawal” (which is the opposite to what a call account/call money is set up to do: “... and a notice period to withdraw money ...”). Therefore, such instruments are outside the scope.

157. Does the definition of reportable instruments include borrower note loans (*Schuldscheine*)?

**Eurosystem reply:** Yes, depending on the underwriter of the instrument. If the underwriter is a retail investor, *Schuldscheine* should **not** be reported. In all other cases these deals should be reported.

158. Does the definition of reportable instruments include covered bonds (*Pfandbriefe*)?

**Eurosystem reply:** For unsecured market reporting of short-term securities, reporting agents report their activity in primary markets, not trading on short-term securities in secondary markets. Hence, they would need to report their issuance in primary markets of covered bonds (by definition mortgage *Pfandbrief*) with a maturity of less than 397 days.

159. Does the sale/repurchase of securities (with maturity less than 397 days since the settlement date) as part of price management have to be reported?
- Eurosystem reply:** The initial sale of securities (primary market activity in commercial papers, certificates of deposit and other types of short-term security) has to be reported. The repurchase of such securities as part of price management should not be reported.
160. Reporting is required for deposits and loans. Are those money market deposits and loans or all types of deposits and loans?
- Eurosystem reply:** On the lending side, only transactions conducted with other credit institutions need to be reported. On the borrowing side, along with the transactions conducted with other credit institutions, borrowing from financial corporations (except central banks where the transaction is not for investment purposes) , general government, as well as transactions with NFCs classified as “wholesale” under the Basel III LCR framework, also need to be reported. Only money market transactions with a maturity of less than 397 days after the settlement date have to be reported.
161. Floating Rate Note (FRN): does this include only papers with *original* maturity less than one year or could it also include papers with original maturity more than one year but *remaining* maturity less than one year?
- Eurosystem reply:** Only instruments/papers with **original maturity** of less than or equal to one year (up to 397 days after the settlement date) should be reported.
162. It is mandatory to consider for reporting any **purchase on the secondary market** of securities issued by a credit institution when the security has a residual maturity up to one year?
- Eurosystem reply:** No, only transactions involving the purchase (or issuance of) a short-term security in the **primary market** need to be reported.
163. Should short-term (less than 1 year maturity) fixed deposits with insurance companies and/or pension funds be reported?
- Eurosystem reply:** Yes, they should be reported.
164. In the instrument type description for certificate of deposits, commercial paper and asset-backed commercial paper, it is said “issued by an MFI”. The scope definition says “lending to other credit institutions (...) via the purchase from the issuing credit institutions (...)”, but it does not mention that these institutions must be MFIs. Therefore, are “lending deals to credit institutions that are not MFIs” reportable under Regulation ECB/2014/48?
- Eurosystem reply:** All lending via purchases of short-term securities issued by other credit institutions on the primary market must be reported. All credit institutions are

considered to be MFIs. Please refer to the ECB's lists of financial institutions:  
<https://www.ecb.europa.eu/stats/money/mfi/html/index.en.html>).

165. Commercial paper that is booked in a book identified as a “primary market book” by the front office is being reported. This commercial paper is bought/sold on the same day that the ISIN is issued and has no accrued interest. An example of what this book holds in practice:

Commercial paper is bought at request of client.

Transaction 1: The reporting agent buys commercial paper directly from the issuer.

Transaction 2: The reporting agent sells this commercial paper to the client who requested the commercial paper. Both transactions happen on the same day, T, where ISIN is issued at T and without accrued interest.

According to the MMSR Reporting Instructions, only commercial paper bought at issuance directly from the issuer should be reported (transaction 1).

Is it acceptable for both transactions to be reported to MMSR (as they are in the primary market book), or would that be a case of over-reporting?

**Eurosystem reply:** The reporting agent should report only the primary market purchase of the Commercial Paper. In the example above, this would be a case of over-reporting.

166. Are re-openings of an issuance considered to be reported and if yes, how?

**Eurosystem reply:** Re-openings are currently outside the scope of MMSR data collection.

167. Consider the following example: a reporting agent has issued a CD and then an additional Tranche is issued.

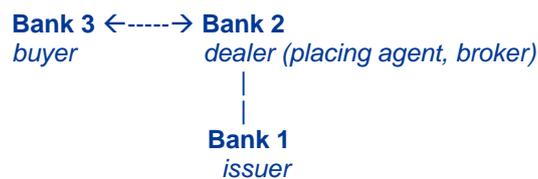
A zero coupon CD is issued, with a value date of 5 January, a maturity date of 6 February 2017, a price of 100.2 and FRx as its ISIN code. On 27 January, a client of the reporting agent subscribes to the zero coupon CD for a duration of one week, with a starting date on 30 January, and maturity on 6 February. The transaction is priced at 100.1. It is carried out through an additional subscription of the existing Tranche with the same ISIN code and the same features, maturity date and type of coupon. Should the reporting agent report the additional subscription?

**Eurosystem reply:** This is considered to be a re-opening of an existing issuance, therefore it will fall outside the scope of MMSR.

168. Is it possible to conclude that a reporting agent who is in charge of distributing a paper (dealer) should report the transaction because it is considered that the paper is issued on the primary market and hence, this dealer is not considered as a third party?

**Eurosystem reply:** The dealer selling the bond issued by another party has nothing to report as long as the dealer is not the issuer. If reporting agent 1 issues a paper that is distributed by reporting agent 2 to one of reporting agent 2's clients, reporting agent 2 does not need to report. Reporting agent 1 on the contrary has to report the issuance of the bond, i.e. its sale to any party, as this is a funding operation. If the buyer of the issued bond on the primary market (i.e. not on the secondary market) is a reporting agent, the reporting agent has to report the purchase of the issued security.

The following example serves to illustrate the reporting requirements: A commercial paper (CP) is issued by Bank 1 and further distributed on the same day by Bank 2 in the capacity of a dealer (placing agent, broker) to Bank 3 (the final buyer of the paper), as illustrated below:



In this case the following transactions have to be reported:

- Bank 1 reports the issuance of the CP where Bank 1 can report either the dealer or the buyer as counterparty (depending on information available in reporting system). If possible, Bank 1 reports the buyer as counterparty.
- Bank 2 (dealer, placing agent, broker) does not report for MMSR.
- Bank 3, reports the purchase of the CP where Bank 3 reports the issuer as counterparty, but only in case the issuer is a MMSR eligible counterparty.

169. Could you please provide some further clarification on the reporting of securities issuances?

**Eurosystem reply:** Short-term securities issuance (with a maturity of up to one year) by the reporting agents as well as underwriting from reporting agents of short-term securities issues by other credit institutions must be reported. Secondary market transactions do not need to be reported.

170. Is an unsecured transaction with short-term security where the trade is between the reporting agent and the branch of its counterparty reportable? In addition, what would be the correct reporting if the trade is with a subsidiary of the counterparty?

**Eurosystem reply:** Both transactions must be reported – in the first case the counterparty is identified via its LEI code because the branch and the HQ comprise

the same legal entity; in the second case, the counterparty must be identified via its own LEI code because it is a separate legal entity.

171. Are investment certificates and current accounts of MFIs (debit and credit) within the scope of MMSR?

**Eurosystem reply:** No, investment certificates and current accounts of MFIs are not within the scope of the MMSR framework.

172. Asset-backed commercial paper: Could you please specify "... backed by *some form* of collateral"?

**Eurosystem reply:** "... some form of collateral ..." in the case of asset-backed commercial paper (ABCP) refers to any type of asset which could be used as collateral.

173. How should bank issues with implicit optionality and the purchase and sale of bonds with optionality (i.e. structured notes) be reported?

**Eurosystem reply:** Call/put options and the respective call/put dates/notice periods need to be reported; bonds with other optional elements do not need to be reported. The settlement price should be reported net of the option value.

174. Are "term deposit" within the reporting scope of the unsecured segment; possibly considered "as unsecured deposits"?

**Eurosystem reply:** Please note that "term accounts" are considered as term deposits and would therefore need to be reported as unsecured deposits. However, when the term accounts are subscribed by retail they are outside the scope of MMSR.

175. In case of unsecured lending, via purchase on the primary market: If the reporting agent purchases such an issuance in the context of Sales activity – i.e. it buys it for its Institutional Clients and don't keep it on its books – should this be reported?

**Eurosystem reply:** No, operations conducted on behalf of clients are outside the scope of the MMSR framework.

176. Lending business in Europe which is all LMA-based is outside the scope of MMSR. Would any non-LMA documented lending transaction which is otherwise similar in nature to the one documented under LMA fall within the scope simply because it is not documented under LMA?

For example, a corporate obtains a loan from a reporting agent under LMA documentation. We know that this loan would not be within the scope of MMSR. If the same type of loan is obtained by an SME and, for whatever reason, it is not documented under LMA – for instance, because of the simplicity of the facility, etc. – would that non-LMA documented loan be reportable simply because a different type of agreement is used?

**Eurosystem reply:** The reporting agents should report unsecured lending only if conducted with other credit institutions, irrespective of the documentation, master contract template or facility agreement used (whether LMA or not). To this extent, unsecured lending to NFCs should not be reported. In the example above, both transactions should NOT be reported because they represent an unsecured lending to an entity other than a bank.

177. How should a negotiable certificate of deposit, be reported?

**Eurosystem reply:** This type of instrument should be reported as an FRN.

178. The negotiable certificate of deposit generally has a variable interest rate. So, it must be reported as a “Floating Rate Note” (code list instrument type: FRNT). If the rate is a fixed rate, should the certificate of deposit be reported as a “Certificate of Deposit” (code list instrument type: CEOD)?

**Eurosystem reply:** Indeed, the negotiable certificate of deposit should be reported as an FRN only if the applicable interest rate is variable/floating. In all other instances, it should be reported as a CEOD.

179. Are convertible bonds within the scope of reporting?

**Eurosystem reply:** Convertible bonds should only be reported if other conditions are met (original maturity of not more than 397 days, issued by the reporting agent or bought from another credit institution).

180. How should shares quoted per unit be reported?

**Eurosystem reply:** Shares quoted per unit should be reported whenever they match the general reporting criteria. The Transaction Nominal Amount should be reported as “number of units multiplied by price per unit”. The Transaction Deal Price should be reported as 100 (unless there is an agreement for agio or disagio, i.e. a premium or a discount).

181. Could you please confirm that issuances of short-term certificates or notes with equity/equity index underlying are not within the scope of MMSR?

**Eurosystem reply:** This type of instrument is outside the scope of MMSR.

182. Could you please confirm that issuance of a certificate/note which pays a fixed rate to the client (financed by a short put position with no guarantee of capital for the client) is within the scope of MMSR?

**Eurosystem reply:** On the basis that the negotiated instrument is a certificate of deposit and provided other reporting criteria are met (e.g. as to maturity and counterparty), this type of instruments is within the scope of MMSR.

183. Could you please confirm whether zero coupon bonds should be reported?

**Eurosystem reply:** Zero coupon bonds should be reported if they meet reporting criteria. They should be reported as short-term securities.

184. Could you please confirm whether discount certificates and reverse convertibles should be reported?

**Eurosystem reply:** No, these instruments should not be reported.

185. Could you please confirm whether structured products, such as Credit Linked Notes, Share Certificates and CMS Floaters are within the scope of MMSR?

**Eurosystem reply:** In general, structured products such as those mentioned above are not reportable, as their characteristics do not match the definitions of eligible instruments as contained in the MMSR Regulation and Reporting Instructions. However, please note that if the structured product is in fact just a combination of operations and if any one of these operations is MMSR-eligible, it should be reported. For example, in the case of a borrowing via unsecured transactions which is then hedged via an OIS trade, both these operations should be reported under the MMSR framework.

186. Should interbank loans be reported?

**Eurosystem reply:** Interbank loans should be reported as Deposits – with the relevant features in accordance with the MMSR Reporting Instructions.

187. A reporting agent offers special programmes for private households (e.g. education, start-up) or NFCs (e.g. founding, innovation, energy efficiency). These loans are partly distributed via other credit institutions (e.g. credit institution A) to the respective counterparty (e.g. counterparty A). Therefore credit institution A books two loans – one with the reporting agent and another with counterparty A. Should the loan between the reporting agent and credit institution A be reported? The interest rate of this loan would be expected to be higher than “normal” interbank loans, but lower than “normal” conditions for loans to households/NFCs.

**Eurosystem reply:** Yes, this should be reported as this is interbank activity and has to be reported as long as operations have a maturity < 397 days post-settlement date; however, the loan to counterparty A (client activity) does not need to be reported.

188. Should structured deposits be reported? More specifically, when a contract/product is specifically identified as a Structured Deposit – for instance instrumented by a set of derivatives, i.e. Interest Rate Swaps (IRS)+Option, or a deposit linked with a derivative (usually an option). Should the reporting agent provide

- (a) the complete structure (all deals); or
- (b) only the deposit within the structure (where there is a deposit)

**Eurosystem reply:** Deposits with simple call or put options (or with both) need to be reported. Other, more structured, deposits should not be reported.

189. Should puttable or callable instruments be reported as was mentioned in Regulation ECB/2014/48 of September 2014? It seems that the amended Regulation ECB/2015/30 excludes these instruments.

**Eurosystem reply:** All MMSR-eligible unsecured transactions (as specified in Annex II, Part 1 of Regulation ECB/2015/30) which contain call and/or put options should be reported accordingly. In that respect, the only difference in comparison with the requirements of Regulation ECB/2014/48 is that these transactions would not be classified separately and explicitly as callable/puttable instruments – currently, what should be reported in such cases are the variables representing the existing call/put option, for any of the MMSR-eligible instruments in the unsecured money market segment.

190. Should money market deposits that are pawned as collateral for a different transaction (that is, outside the scope of MMSR, such as letters of credit, etc.) be reported? The collateral is not the “main transaction” and therefore not of interest for MMSR.

**Eurosystem reply:** These kinds of deposits should not be reported under MMSR.

191. Should rent deposits (Mietkaufionskonten) be reported? These special accounts are held not only by private households but also by insurance corporations or NFCs?

**Eurosystem reply:** Please note that Mietkaufionskonten are considered to be not directly related to the money market, but to retail instruments. As such, they are outside the scope of MMSR.

192. Should saving accounts (Kapitalsparbücher) of NFCs classified as “wholesale” according to the Basel III LCR framework be reported?

**Eurosystem reply:** Please note that saving accounts (Kapitalsparbücher) should be reported daily, analogously to call accounts if they are conducted with MMSR-eligible counterparties. In any case, these transactions should not be reported for natural person clients’ accounts.

193. How should the field “Settlement Date” be filled for a call account with a reporting date of 03/08 and a Maturity Date of 05/08? Should the field “Trade Date” be filled with 04/08?

**Eurosystem reply:** If this transaction was reported on 04/08 before 07:00, the following reporting would be expected:

Trade date: 03/08  
Settlement date: 03/08  
Maturity date: 04/08

However, if the transaction were to take place on 04/08 after 07:00 and consequently would need to be reported before 07:00 the day after (05/08), the following would be expected:

Trade date: 04/08  
Settlement date: 04/08  
Maturity date: 05/08

In general, in the case of call accounts, the reported Trade Date and Settlement Date should both be reported as “T” while the Maturity Date should be reported on “T+1”.

194. Regarding the reporting of a call account product with a notice period of 31 calendar days, should the call account be reported daily with a maturity of T+1 and the notice period of 31 days? For example:

File for TRADE DATE/ SETTLEMENT DATE/ MATURITY DATE/ NOTICE PERIOD

07.03.2016 / 07.03.2016 / 08.03.2016 / 31  
08.03.2016 / 08.03.2016 / 09.03.2016 / 31  
09.03.2016 / 09.03.2016 / 10.03.2016 / 31

Or should a maturity date of T+31 be reported? For example:

File for TRADE DATE/ SETTLEMENT DATE/ MATURITY DATE/ NOTICE PERIOD

07.03.2016 07.03.2016 07.03.2016 07.04.2016  
08.03.2016 08.03.2016 08.03.2016 08.04.2016  
09.03.2016 09.03.2016 09.03.2016 09.04.2016

**Eurosystem reply:** Both options are incorrect. The maturity should take into account the applicable notice period.

**It should be reported as follows:**

File for TRADE DATE/ SETTLEMENT DATE/ MATURITY DATE

07.03.2016 07.03.2016 07.04.2016  
08.03.2016 08.03.2016 08.04.2016  
09.03.2016 09.03.2016 09.04.2016

According to the reporting instructions, the field “Call/Put” must not be reported. The Maturity Date reflects the applicable notice period.

195. Should a deposit with a maturity of more than 397 days that is redeemable, with or without a penalty, with a notice of one day, be reported? If yes, should the transaction be reported only once with the final maturity date as MATURITY DATE and the notice period as CALL/PULL NOTICE PERIOD or should it be reported again daily until it is either redeemed or it expires?

**Eurosystem reply:** Please note that if the original maturity of the instrument is more than 397 days after the settlement date, this transaction should not be reported.

196. A reporting agent grants loans with a maturity longer than 1 year to banks in order to provide funds to the economy under certain conditions, e.g. in case of natural disasters. These loans are granted reportedly at prevailing market rates.

Against this background, should the above loans be reported if they have shorter maturities?

**Eurosystem reply:** If these loans fall within the definitions of the Reporting Instructions, they need to be reported, e.g. lending to other credit institution with a maturity of up to 397 days via unsecured deposits, call accounts or the purchase of securities.

197. Should increases or decreases in a deposit's balance be reported? If yes, how?

**Eurosystem reply:** It depends. Three cases can be distinguished:

- (a) if the increase or decrease takes place at the maturity of the original transaction this is a rollover to be reported as a new transaction;
- (b) if the decrease takes place before the maturity date and is in the nature of an early repayment, this is considered a life-cycle event and should not be reported;
- (c) if the increase takes place before the maturity of the original deposit this is similar to a new deposit and is to be reported as a NEWT transaction in relation to the full new amount.

198. How should a partial unwind of a deposit be reported, if, for example, there is a deposit with an initial nominal amount of EUR 1 million (previously reported as NEWT) and a partial unwind of EUR 300,000 takes place before the maturity date of the deposit, leaving a EUR 700,000 deposit still live?

**Eurosystem reply:** The reporting agent should not report the partial unwind as this is an early repayment (i.e. a life-cycle event) and not a termination caused by erroneous reporting or renegotiation.

199. How should a "rollercoaster" amortising deposit (with both notional balance increases and decreases during the life-cycle of the trade), be reported?

**Eurosystem reply:** In the case of "rollercoaster" deposits, both increases and decreases of the balance can occur on a daily basis, therefore these instruments should be reported by providing daily information on the balance of the deposit and the interest rate with an overnight maturity (similarly to call accounts).

200. Should structured and inflation-linked bonds be reported? Please note that the corresponding pay-outs of these instruments can be very complex, given that such products are linked to multiple non-interest indices like stock markets, commodities and inflation (for example the pay out of a CMS-based bond can be "2 x ISDA 10 Year swap rate – 3%", or "2 x the annual inflation measured as the increase in HCPI"). Would it be correct to assume this bond is neither fixed nor floating interest?

There is no interest component included in the coupon. If such products are reportable please clearly outline how such products should be reported.

**Eurosystem reply:** Please note that such products, and more specifically the ones described above, are not reportable.

201. Should IRS with variable notional (i.e. Variable Notional Swaps) be reported? That is, a swap which has a rollercoaster notional structure, which is agreed upon before closing the product. For example: notional first period = 100; notional second period = 90; notional third period = 80.

**Eurosystem reply:** This swap should be reported when it is a swap with one leg depending on the EONIA or the €STR and one fixed leg. The notional to be reported initially is the notional 100. Further changes to the notional are life-cycle events because they are predefined and therefore should not be reported.

202. Should In Arrears IRS be reported?

**Eurosystem reply:** This type of instrument should not be reported.

203. It is unclear whether or not fixed-rate notes have to be reported. Could you please clarify?

**Eurosystem reply:** Fixed-rate instruments which have a maturity of up to 397 days issued by the reporting agent, as well as fixed-rate notes which have a maturity of up to 397 days issued by other credit institutions and underwritten by the reporting agent should be reported.

204. What is meant by "other short-term debt securities"; which products fall under this category?

**Eurosystem reply:** "Other short-term debt securities" are securities with the same characteristics as, for example, commercial paper or certificates of deposit, but not categorised as such.

205. **Updated:** Should evergreen term products be reported? These instruments have a revolving structure with a constant maturity of e.g. 35 days (similar to open trades). As long as there is no notice, the trade is prolonged on a daily basis. Because of the maturity of 35 days, there is a notice period of 35 days.

**Eurosystem reply:** Yes, evergreen term products should be reported similar to open trades. Please refer to the Reporting Instructions regarding the specific instructions for the reporting of evergreens. ~~They should be reported each day as long as there is no notice.~~

206. Should subsidised loans, such as loans provided via other credit institutions to SMEs or private households, be reported?

**Eurosystem reply:** Loans to non-credit institutions do not have to be reported, so the loan between a credit institution and the final beneficiary (e.g. an SME) should

not be reported. However, if this trade involves an interbank transaction or a transaction with MMSR-eligible counterparty, this transaction should be reported, regardless of the final beneficiary.

207. Syndicated loans, when viewed as a product, are not normally associated with the issuance of securities but with the granting of loans. But if a loan is granted to, for example, a non-financial corporation and that loan is too big for one credit institution to provide, a second and/or third credit institution may step in as well. Each credit institution would then be involved in the counterparty risk. If the entire amount of the loan is booked between one credit institution and the client, then interbank transactions would exist between credit institution 2 and/or 3 and credit institution 1. Would these transactions fall within the scope of MMSR? (The transaction between credit institution 1 and the client would only be reported if the client is a credit institution as well.)

**Eurosystem reply:** If there is an interbank trade, it has to be reported. Any part of a trade that is not an interbank trade is outside the scope. As with all other products, a reporting should take place if a transaction is conducted with MMSR-eligible counterparties.

208. **Updated:** Regarding syndicated loans, it is possible that the composition of the syndicate could change, i.e. one bank steps out and another bank steps in without a change of the general contract. Should this be treated analogously to novations (trade date = day of stepping in, reporting of NEWT by the stepping-in-party and settlement date = start date of the original contract)?

**Eurosystem reply:** Such a change in the composition of the syndicate should indeed be treated as a novation.

In that respect, please note that in order to accommodate the reporting of novations of syndicated loans and other products as e.g. novated deposits which could let to Start/Value/Settlement Date prior to the Trade Date, the severity level of the respective DQ checks has been changed for all segments.

209. Should time deposits (also called term deposits) be reported if they are sold/settled via commercial branches to clients classified as "wholesale" but with settlement in a current account that these clients have with the reporting agent (and not settled via TARGET2)?

**Eurosystem reply:** Yes, these transactions should be reported. In addition, unsecured borrowing from NFCs classified as "wholesale" should be reported, regardless of the settlement method or channel.

210. Some products have supplementary features in addition to the "Put/Call Date" or "Call/Put Notice Period". The basis of this product is an "open end structure" comparable to call accounts. In contrast to call accounts, however, the Call/Put Notice Period is e.g. 30 days while in addition, the counterparty has an availability period of e.g. 7 days. Should these types of instruments be reported?

**Eurosystem reply:** Such products should be reported. Daily reporting needs to take place analogous to call accounts where the "Call/Put Notice Period" is reported (as 30 days) while the availability period (of 7 days) should not be reported.

211. Should Nostro and Vostro balances be reported under the unsecured segment?

**Eurosystem reply:** All transactions related to Nostro and Vostro accounts must be reported. These trades are MMSR-eligible – meaning that if the transaction takes the form of a normal unsecured funding via deposit, saving account or call account, this transaction should be reported. If, however, this transaction is conducted as a current account one, it should not be reported. Moreover, we would also like to stress that in case the Nostro and Vostro accounts are with a counterparty in the same group, they should not be reported.

212. Should money market deposits that are pawned to the reporting agent as collateral for a different transaction (that is outside the scope of MMSR, such as Letters of Credit) be reported?

**Eurosystem reply:** This type of instrument should not be reported.

213. How should promissory notes be reported?

**Eurosystem reply:** Promissory note loans should be reported as other short-term security (with the applicable code OTHR), allowing their Deal Price to be correctly and fully reflected in the reporting.

214. Could you please confirm that facilitating/holding client accounts (deposit or savings) should not be considered borrowing for the purposes of MMSR, Annex II, Part 1, 1(b) and that they are therefore not reportable?

**Eurosystem reply:** If the question refers to a household, this is correct. However, if this refers to a non-financial corporation on the unsecured market, it is expected that deposits/accounts are reported. Please refer to the reporting instructions.

215. Cash management transactions are neither borrowing nor lending and are also not subject to reporting for MMSR purposes. Please advise accordingly.

**Eurosystem reply:** If this refers to internal operations on behalf of clients, it should not be part of MMSR.

216. Could you please confirm whether escrow accounts are considered as "retail" and therefore outside the scope of MMSR? Should escrow accounts be included when determining the aggregate deposits in order to define "wholesale"?

**Eurosystem reply:** The escrow accounts are indeed considered as "retail" and, thus, are outside the scope. Escrow accounts should not be included when determining the aggregate deposits in order to define "wholesale".

217. Should the accounts "on behalf of someone else" be reported under MMSR in case the account is in the name of a reportable sector, but the third party (i.e. the

“someone”) belongs to a non-reportable sector? For example, a non-financial corporation has an account on behalf of a private household (the intended purpose of which might be to save some money for future renovation of a house that the private household owns although in general the purpose does not matter).

**Eurosystem reply:** We consider this type of deal as MMSR-eligible, as indeed we are indifferent as to the purpose of the trade, but nevertheless interested as this is a form of funding – i.e. if an NFC has a deposit or a call account transaction with a reporting agent, who the real owner of the money is or why the trade is conducted is not taken into account.

218. Do you expect insolvency administrator accounts to be reported under MMSR?

**Eurosystem reply:** If those are MMSR-eligible accounts, opened and treated by the reporting agent as “on behalf of someone else”, where “someone” belongs to a reportable counterparty, then these accounts should indeed be reported as a regular unsecured market.

219. A reporting agent is offering a structured product called “Dual Currency Deposit”. This product corresponds to a loan in a currency that offers the possibility of repaying in another currency with a predefined rate (strike rate). Hence, the rate may be boosted significantly. The nominal rate of the deposit and the final rate including the premium (exercise of the repayment in the other currency) cannot be distinguished. In their IT system, the reporting agent reports this product as a deposit. Should this product be reported under MMSR?

**Eurosystem reply:** The reporting of this structured product is outside the scope of MMSR.

220. Dual currency deposits are considered as structured products and consequently are outside the scope of MMSR. Does the same apply to deposits where, for example, the interest rate or the nominal amount repaid at the maturity date depend on how a certain exchange rate develops?

**Eurosystem reply:** Yes, this type of deposit is outside the scope of MMSR.

221. A reporting agent has a fixed unsecured deposit with several fixing dates during the lifetime of the operation. Should this product be reported

i) as a unique operation, in which case what rate should be reported? or

ii) as different operations, one for each fixing date?

**Eurosystem reply:** The reporting agent should report only the operation with its initial rate. Any further repricing is considered as a type of life-cycle event and therefore will not be reported.

222. Should a deposit which is further securitised (in a second step) be reported by the reporting agent?

**Eurosystem reply:** If a deposit is securitised in a second step, such securitisation should not be reported – the Eurosystem does not need to know about how in effect a deposit changes.

223. Instrument type: the types of instruments on which reporting agents report are very wide and include some transaction types (for example call money and deposits) that require more precise definitions.

**Eurosystem reply:** The instrument types for the unsecured market segment are explained in the MMSR Reporting Instructions and definitions of call accounts and deposits are included there.

224. Instrument type: What is the definition of instrument type? And is this related to a recognised industry categorisation?

**Eurosystem reply:** The instrument types are contained in the list of instruments in the MMSR Reporting Instructions (Instrument type reference table).

225. Instrument type: In the case of a certificate of deposit with a variable interest rate or a zero-coupon bond, does a different instrument type have to be chosen (e.g. floating rate note)?

**Eurosystem reply:** Please note that the zero-coupon bond could also be seen as a fixed-rate instrument; as such, given that the coupon is known in advance and there are no intermediate coupons, this instrument should be reported as a normal certificate of deposit.

Regarding the variable rate certificate of deposit, we assume that indeed it should be seen as an FRN because the coupon would be defined by a reference rate + spread (this field is not applicable for fixed-rate instruments).

226. Instrument type: Should the reporting of other short-term debt securities issued (“OTHR”) be limited to the rate type “FIXE” or would a “VARI” reporting be accepted? The alternative would be to report “OTHR” with a “VARI” interest rate as a floating rate note (“FRNT”).

**Eurosystem reply:** A VARI reporting for OTHR would be accepted – i.e. when a reporting agent reports other short-term debt securities issued (“OTHR”) to state either fixed rate or a variable rate (with the variables applicable to FRNs: ISIN & spread).

227. Please provide clarification as to the 2.4.2.2.16 CallPutOption, 2.4.2.2.16.2 DateOrPeriod and 2.4.2.2.16.1 Type (all taken from the ISO20022\_MDRPart2\_MMSR\_forSEG\_v2.pdf document). Is there an example of how these are to be displayed in the output xml file?

**Eurosystem reply:**

Please find below two examples on how to use the CallPutOptn and DtOrPrd tags. In the first one, the notice period is reported while in the second one, the earliest exercise date is reported.

```
<unsecured:CallPutOptn>
  <unsecured:Tp>PUTO</unsecured:Tp>
  <unsecured:DtOrPrd>
    <unsecured:NtcePrd>7</unsecured:NtcePrd>
  </unsecured:DtOrPrd>
</unsecured:CallPutOptn>
```

---

```
<unsecured:CallPutOptn>
  <unsecured:Tp>CALL</unsecured:Tp>
  <unsecured:DtOrPrd>
    <unsecured:EarlstExrcDt>2015-11-27</unsecured:EarlstExrcDt>
  </unsecured:DtOrPrd>
</unsecured:CallPutOptn>
```

228. Transaction Nominal Amount: In case of issuance of short-term security, would it be necessary to report the size of the issuance or the size of the subscription? How should it be reported in the case of a “late” subscription of an undersubscribed issuance?

**Eurosystem reply:** What matters is the effective amount of funds raised i.e. subscription. If it is done “late” it is a new transaction; no secondary market deals are reported – only primary market transactions are to be reported.

229. Deal Rate: How should this be reported in the case of debt instruments?

**Eurosystem reply:** For short-term securities, the effective interest rate should be the applicable yield to maturity. It should be reported as yield to maturity based on actual cash flows, as opposed to the nominal coupon rate.

230. Reporting of the deal rate in the case of a minimum interest yield:

Some unsecured lending transactions have no “normal” interest rate (e.g. 0.5%) but a minimum interest yield (e.g. EUR 150). Therefore the reporting agent converts the minimum interest yield into an effective per annum interest rate. This leads to high positive deal rates if the transaction nominal amount is very low. Take the following example:

Bank A lends EUR 10,000 to Bank B. Bank A has a monthly fixed minimum interest yield of EUR 150 for this transaction. Therefore Bank B needs to pay interest of EUR 150 per month. Bank A converts this monthly interest payment into an effective per annum interest rate of approx. +18% ( $150 \cdot 12 / 10,000$ ).

Bank A reports the following under MMSR:  
Transaction Nominal Amount: EUR 10,000

Transaction Type: LEND  
Instrument Type: DPST  
Deal Rate: +18%

If the transaction nominal amount is only EUR 4,000, the deal rate would be approx. +45% ( $150 \cdot 12 / 4,000$ ).

We assume that the above-mentioned conversion of minimum interest yields into effective interest rates is correct. Do you agree?

**Eurosystem reply:** We are aware that these trades could indeed lead to unusual outcomes. These trades will undergo further analysis and the respective reporting agent might be contacted bilaterally to give any clarification sought on them.

231. Transaction Deal Price: It is to be reported as 100 for unsecured deposits; Does the same hold for unsecured loans?

**Eurosystem reply:** Yes, the transaction deal price should be reported as 100 in both cases – for unsecured deposits and for unsecured loans.

232. First Call/Put date: In the unsecured segment regarding the variable “First Call/Put date”, the Reporting Instructions specify that the first date on which the call option or the put option can be exercised should be reported. Can this be already on the same day as the settlement day?

**Eurosystem reply:** While it should rarely be the case that the first call date is already on the same day as the settlement date, this can occur and should be reported accordingly.

233. Can you please provide some clarification on the CALL OR PUT field in the unsecured segment (variable 190)? If this value is null on deposits/loans and short-term securities, then should the field still be included in the XML file?

**Eurosystem reply:** The CALL OR PUT field is optional. It only has to be reported for callable or puttable instruments. Therefore, if a transaction does not contain a call or put option, the respective fields relating to the Call/Put option should not be included in the XML message.

## 2.5 Questions regarding conceptual and field definitions for the *FX swaps* market segment

234. Would it be possible to report FX swaps as two separate legs (the spot leg and the forward leg), by also including a link identifier that would allow to easily recognising multi-leg transactions?

**Eurosystem reply:** Under Regulation ECB/2014/48, FX Swaps should be reported as one single transaction including both legs.

235. Should we report FX swap transactions conducted with the central bank of Denmark as part of their exchange rate management?

**Eurosystem reply:** If a transaction results from ECB tender operations and standing facilities, it need not be reported; otherwise all transactions with central banks should be reported. If a credit institution which is part of the actual reporting population conducts an FX swap with the central bank of Denmark, it would need to report this transaction.

236. It is not clear how and when to report forward starting trades.

**Eurosystem reply:** Forward starting trades must always be reported on the trade date.

237. Should cross-currency IRS be reported with principal exchange?

**Eurosystem reply:** No, cross-currency IRSs are outside the reporting scope. The only type of IRS which should be reported is OIS – i.e. a swap with one leg depending on the EONIA or the €STR, and one fixed rate leg.

238. Should “outright FX forward” deals be reported?

**Eurosystem reply:** Outright FX forward transactions need not be reported.

239. Can it be assumed that for the FX Swap segment only transactions with currencies (other than euro) should be reported and not with precious metals such as gold? In the Reporting Instructions, it is stated that “FX swap transactions ... in which euro are bought or sold spot against a foreign currency...” need to be reported. In the ISO code list (ISO 4217), both currencies and precious metals are included.

**Eurosystem reply:** All currencies with a relevant ISO code are subject to MMSR requirements. As regards FX swaps, precious metals having such ISO currency codes are therefore relevant and should be reported by banks. Precious metals as commodities should also be reported for secured transactions, using CFI codes (ISO 10962) where appropriate.

240. In the case of FX Swaps, are take ups or rollovers within the scope for reporting? If take ups or rollovers result in the creation of a Swap, should this be reported as a NEWT transaction? For example, if there is an FX Forward, and a take up or rollover occurs, the outcome would be reflected via a swap (one leg to cancel out the original forward and one leg for whatever the new terms would be). This new swap would be related to the changing of the terms of an FX forward, which itself would be outside the scope.

**Eurosystem reply:** An FX swap is the combination of a spot and a forward FX operation (or of two forward transactions: one forward with T+2 settlement and one forward with T+90 settlement for example, that at the moment of negotiation are bundled together for economic reasons – for example, in order to hedge or swap financing costs).

FX swaps created indirectly via later amendments of forwards should not be reported. Forwards alone are not part of MMSR; therefore, if one forward gets amended via an FX swap transaction this should not be reported either. Otherwise, forwards that are not part of an FX swap would become subject to reporting, which is not the intention.

241. UTI: as FX Swaps have two legs, consequently there are two UTIs. Could you please specify which UTI should be reported – the near or the far leg UTI?

**Eurosystem reply:** Please note that when reporting foreign exchange (FX) swaps, the reporting agent should provide the transaction identifier (UTI/CPTI) for the near/spot leg of the trade.

242. Value date: the spot value date is not always available as some FX swaps are forward /forward.

**Eurosystem reply:** The value date in the case of forward/forward foreign exchange swaps would be the near-end (the shorter leg) of the transaction.

243. Foreign exchange spot rate: is this EUR vs Foreign or Foreign vs EUR?

**Eurosystem reply:** The exchange rates should be reported as the number of foreign currency units per 1 euro.

244. Foreign Exchange Forward Points: How it should be reported in case of "tom-next"?

Example:

Trade Date: 26.08.                   - Exchange rate: 1,141  
Settlement Date: 27.08.           - Exchange rate: 1,149  
Maturity Date: 28.08. - Exchange rate: 1,151

Which exchange rate should be used for spot rate and forward rate to calculate the Foreign Exchange Forward Points?

**Eurosystem reply:** Foreign exchange forward points are always calculated based on the difference between the foreign exchange forward rate and the foreign exchange spot rate regardless of the swap tenor.

245. Will the currency CNH be accepted on the Transactional Module, given that this is not ISO 4217?

CHINA Yuan Renminbi: CNY  
CHINA RMB off-shore: CNH

**Eurosystem reply:** CNH will not be handled, as it is not an ISO code. Banks with business in off-shore RMB should report this in CNY.

246. Is it necessary to report an FX Forward-Forward Swap, given in the example trade below, and, if yes, how?

1. Do Forward-Forward Swaps require reporting (as some may argue that these are 2 FX-Forwards)?

2. If so, how should the "Spot rate" be populated for the near leg (spot rate or the spot rate + forward points)?

Near leg:

Trade date=1-1-2016

Spot date=3-1-2016

Settlement date=17-1-2016

Buy Curr1=EUR, Amount=15556450.730

Sell Curr2=HKD, Amount=133000000.000

Spot Rate=8.54927

Forward points=2.38

Far leg:

Settlement date=1-3-2016

Sell Curr1=EUR, Amount=15550604.820

Buy Curr2=HKD, Amount=133000000.000

Rate=8.552722000

Forward points=34.52

**Eurosystem reply:**

1. We confirm that the Forward-Forward Swaps are required.
2. The spot EUR amount to be reported is 15556450.730 with "amended spot rate" of 8.549508, i.e. spot+FWD points of the near leg. For the far leg, the swap points on the far leg of 32.14 pips need to be reported in the requested field.

247. A reporting agent deals FX Swap trades where the maturity date is the same as the value date. However, the data quality check DQF902 "VALUE DATE [VALUE DATE value] is on or after MATURITY DATE [MATURITY DATE value]" will be triggered. How should the reporting agent report these transactions?

**Eurosystem reply:** We consider FX Swaps as SPOT vs FW transaction represented as one deal made up of 2 FX transactions: one with Currency 1 sold versus EUR with a certain delivery date (usually T+2, called value date); the second one where Currency 1 is repurchased at a later date (called Maturity Date, for example 3 months after the value date). Therefore we do not see how it would be possible to have a deal constructed/conducted in a way where the Value and the Maturity Date are on the same day.

248. Should initial and variation margin be reported?

**Eurosystem reply:** No, this information should not be provided.

## 2.6 Questions regarding conceptual and field definitions for the *overnight index swaps* market segment

249. Is it correct, that in the OIS market segment only EONIA against a fixed interest rate should be reported? Or is it also possible that another variable interest rate (such as EURIBOR 1 month or USD-LIBOR 1 month) against EONIA is reported? If so, how should it be reported, because the field for the second interest rate ("not Overnight index (EONIA) leg") is called "fixed interest rate" and also in the description only fixed rates are mentioned?

**Eurosystem reply:** Only EONIA and euro short-term rate (€STR) against a fixed interest rate should be reported.

250. Should overnight versus tom-next EUR/currency transactions be reported or should they be included as OIS operations?

**Eurosystem reply:** Any purchase/sale of euro vs a foreign currency on a given value date with an agreement at the same time to resell the purchased currency against the currency sold on the initial value date must be reported as a foreign exchange swap transaction.

251a. **NEW:** Regarding the closing of OIS transactions by concluding an offsetting transaction, should the respective offsetting transactions (i.e. of portfolio transfers or to close cleared transactions) against CCPs be reported, irrespective of whether they might offset with the original transaction at the end of the day or not.

**Eurosystem reply:** In general, offsetting transactions are included in the reporting, since they fulfil all criteria of the reporting requirements, irrespective of whether they will be offset at the end of the day.

251. Should cleared OIS transactions, including in the case of client clearing, be reported?

**Eurosystem reply:** Cleared transactions, including client clearing, must be included in the reporting, since the clearing broker or member acts as a principal and for that reason the transactions (reporting agent-CCP and reporting agent-client) are on the balance sheet of the reporting agent.

252. Should swaptions (OIS including a put/call option) be reported? A swaption could be reported on the trade date as a "normal OIS", but it is not known whether this trade will be settled or not.

**Eurosystem reply:** The Swaption is considered as an option instrument, which gives the right to enter into an OIS contract (as opposed to an instrument with an embedded option). An OIS contract which has an embedded option (e.g. for early termination of the contract) is different from a Swaption. Therefore, as options are outside the scope of MMSR, Swaptions should be kept out of the reporting.

However, it needs to be emphasised that if a reporting agent enters into an OIS as a result of the exercise of a Swaption, then the reporting agent will have to report an OIS transaction.

253. Are asset swaps reportable in the OIS segment under MMSR if the interest rate of the asset is fixed and the variable interest rate is EONIA or €STR?

For example, bank A has a security with a fixed coupon of +1.75% and wants to hedge the interest rate risk by swapping this fixed coupon against the variable interest rate EONIA or €STR.

Please note that for asset swaps the fixed interest rate of the swap is usually higher. In this case the reporting agents would need to report a fixed interest rate of +1.75% where the interest level in the OIS segment is about +0.3%.

**Eurosystem reply:** Asset swaps are outside the scope of MMSR; this also applies to the situation described above.

254. Transaction Nominal Amount: If an amortising OIS is novated, should the original nominal amount be reported or should the current nominal amount that is applicable at the moment of novation be reported?

**Eurosystem reply:** The reporting agent should report the current nominal amount.

255. Please see the following example:

Trade Date: 25.04.2016

Start Date: 27.04.2016

Maturity Date: 15.06.2016

Should the START DATE field for this example be filled with the static value of "27.04.2016" for the duration of the deal? Where an OIS trade has a runtime of longer than one day, do we need to adjust the START DATE daily for the MMSR message (as the START DATE refers to the EONIA computing period which changes on a daily basis)?

**Eurosystem reply:** The example should indeed be filled with the value "27.04.2016". In the case of an OIS transaction with a maturity higher than overnight, the reporting does not need to be adjusted – i.e. there is no need to report this particular trade each day until maturity.

256. Should fees be reported for the OIS segment?

**Eurosystem reply:** The fee must not be reported, i.e. the FIXED INTEREST RATE has to be reported without the fee element.

## 2.7 Other

257. Are there any releases planned that will change the scope of reporting?

**Eurosystem reply:** There are currently no planned future releases which would change the scope of the reporting. Please note, however, that statistical regulations are periodically reviewed to ensure that they reflect monetary policy needs and that reporting obligations which have become redundant are eliminated, while other requirements could be enriched so as to capture more information.

258. Should deals with a maturity date of one year or greater than the reporting or trade date be reported?

**Eurosystem reply:** All unsecured, secured and foreign exchange swap transactions with a maturity of up to 397 days after the settlement date and all OIS transactions at any maturity shall be reported as set down in Regulation ECB/2014/48 and its annexes defining the reporting schemes.

259. Would a reporting agent need to report eligible transactions where the counterparty is an NCB/ECB?

**Eurosystem reply:** If a transaction results from ECB tender operations or from standing facilities, it should not be reported; otherwise all transactions with central banks should be reported as long as they fulfil the MMSR criteria.

260. Should transactions with the Ministry of Finance\Economic Affairs be reported even though the NCB might already have all the details of those operations?

**Eurosystem reply:** They should be reported. The reporting agents should report these operations as transactions conducted with general government.

261. The Reporting Instructions state as follows:

“[...] except central banks where the transaction is related to Eurosystem monetary policy operations and standing facilities”

Which transactions are covered by this criterion?

**Eurosystem reply:** This serves to clarify that any transaction conducted with the Eurosystem for the implementation of the ECB monetary policy (basically all tender and standing facilities operations) should be excluded from the reporting.

Please also note that for the FX Swap transactions no reference to the standing facilities is made, because they cannot be implemented in the form of FX Swap transactions.

262. Operations with the NCB:

1. Could you please confirm the following: is it correct to say that a Reporting Agent must exclude its eligible (currency & maturity) Long-Term Refinancing

Operations (LTRO) & Main Refinancing Operations (MRO) facing the NCB from its reporting under MMSR?

2. Is it correct to say that a Reporting Agent under MMSR must exclude its eligible Deposit Facility transactions facing the NCB from its reporting?

3. What other kind of operations should we understand under the terms “Eurosystem tender operations & marginal lending facilities” facing central banks?

**Eurosystem reply:** All monetary policy operations, namely refinancing, usage of the facilities (placing or borrowing of cash), and long-term and targeted operations, are outside the scope of MMSR.

However, standard repos and reverse repos conducted as cash management operations between the reporting agent and the respective Eurosystem NCB or as investment operations (for whatever purpose) must be reported, as these are not policy operations. This obligation to report covers securities lending transactions versus cash.

263. Among the counterparties that are eligible for MMSR and listed in the MMSR Regulation, how would you classify the IMF?

**Eurosystem reply:** In general, the IMF should be reported with its LEI. However, the IMF is already classified in Balance Sheet Items (BSI) Statistics and other monetary statistics that follow the S121 code.

Name: IMF

Reference Area code: Not EU resident.

Institutional Sector: Central bank (S121)

Comments: The IMF provides policy advice and financing to members in economic difficulties and also works with developing nations to help them achieve macroeconomic stability and reduce poverty – in a nutshell, to help ensure global financial stability for the public good. In addition, the task of managing all operations and transactions involving special drawing rights (international reserve asset) gives the IMF the status of a central bank (S121).

264. Should a reporting agent make a report if he knows that a deal could or is going to fail in settlement?

**Eurosystem reply:** A reporting agent should report the deal, regardless of the fact it might not be settled. In the case of deals which are cancelled (for example, due to a settlement failure or due to an error because of a duplicated reporting) the respective transaction must be reported as cancelled.

265. Could you please provide clarification whether the MMSR includes transactions in all currencies or only transactions in EUR. This would be especially relevant for FX swaps: should they be reported only if the base currency is EUR?

**Eurosystem reply:** The reporting should include only EUR-denominated transactions. Foreign exchange swap transactions should be reported only if one of the currencies in the pair is the euro, regardless of whether it is the base currency or not.

266. Regarding the “intragroup transaction” definition, are transactions concluded with an undertaking which is consolidated at equity under IFRS “intragroup”?

**Eurosystem reply:** Please note that MMSR-eligible transactions between a reporting agent and another undertaking that is consolidated at equity with the reporting agent are “intragroup” as defined in Article 1(19) of the MMSR Regulation. Such transactions are therefore exempt from the reporting.

267. How should cash settled GMRA Collateral Margin exchanges be reported?

**Eurosystem reply:** Margin call including cash margins do not need to be reported.

268. Is it envisaged that the reporting will take place via a single reporting channel for the cross border banking groups instead of reporting by a legal entity within the same group? This would avoid the need for a development of several (country level) projects for the transmission of the MMSR data.

**Eurosystem reply:** Provision has been made for such an option. Where the delegation of reporting is agreed with the ECB and the respective NCBs, one reporting agent could provide the data for all subsidiaries resident within the euro area, e.g. with different LEI codes within the same (truncated) banking group, but in separate files.

269. Do both parties of a transaction need to report the same transaction if both parties are required to report under Regulation ECB/2014/48 (dual reporting)?

**Eurosystem reply:** Yes, under Regulation ECB/2014/48 both parties have to report where they are part of the actual reporting population.

270. When a trade takes place between two MFIs, should both MFIs report that transaction? If both are required to report, then can one of the MFIs delegate its reporting to the other MFI?

**Eurosystem reply:** If both MFIs are part of the MMSR reporting population, then both of them should report the transaction between themselves. The delegation for reporting on behalf of another reporting agent is feasible only for MFIs which are part of the same banking group.