



**TRANSACTION REPORTING UNDER MiFIR.
SCORE/CNMV: TEST PLAN**

25 September 2017

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1 OBJECTIVE

1.1 DESCRIPTION AND PURPOSE OF THE TEST PLAN

On 3 January 2018, it will be compulsory to report transactions executed on financial instruments provided for in Article 26 of the MiFIR (Regulation 600/2014¹), which states that investment firms carrying out transactions on financial instruments must report the complete and accurate data of such transactions to the competent authority as soon as possible, and no later than by the end of the following business day.

This document is intended to help those entities reporting transactions under MiFIR through a system named SCORE (System for Collecting Operations Reported by Entities). The system will first be tested using a Test Plan, before its implementation within the CNMV system, which will coincide with the entry into force of the obligation to report transactions.

This Test Plan is intended both for entities reporting through their own means and for Trading Venues (Regulated Markets (RM), Multilateral Trading Facilities (MTF) and Organised Trading Facilities (OTF)), as well as for Approved Reporting Mechanisms (ARM), authorised by CNMV or by any competent authority belonging to the European Economic Area (EEA).

The main objective in the strategy of the Test Plan within the SCORE/CNMV system is to offer these entities the possibility to test, prior to launching the system and with the help of CNMV, whether the procedures and processes used to generate, validate and submit files to CNMV and to receive feedback files are carried out following the specifications set out by ESMA and by CNMV.

Even though participating in the Test Plan is not compulsory, it is recommended that entities reporting transactions to CNMV do participate in some or all test phases as described in this document, in order to ensure the best possible quality for information reporting and thus avoid or minimize problems when the system becomes fully operational.

This document should be read in conjunction with the [Operational Guide for Transaction Reporting under MiFIR](#), published by CNMV, and also with the information and documentation mentioned in this Guide and published by CNMV and by ESMA.

The Test Plan is mainly intended for IT Units, Regulatory Compliance and other areas involved in transaction reporting, which should ensure that entities comply with their obligation to report transactions under MiFIR, as it includes both technical aspects (communication channels, file formats, information structures) and the content of the transactions to be reported on a daily basis.

¹ Regulation (EU) No. 600/2014 of the European Parliament and of the Council, of 15 May 2014, on markets in financial instruments and amending Regulation (EU) No. 648/2012.

1.2 RELATED ESMA PROJECTS

Aside from the Test Plan within the SCORE/CNMV system for Transaction Reporting under MiFIR, CNMV will also implement the “Transaction Reporting Test Plan” established by ESMA in relation to the TREM project, which has been developed to report transactions between authorities within the scope of ESMA.

Both systems tested will use other subsystems and data sets that are necessary to ensure appropriate transaction reporting and that are part of the FIRDS project (Financial Instrument Reference Data System), established by ESMA. In its first phase, which entered into force in July 2017, ESMA authorities already have access to, among other data repositories, a significant sample of reference data of instruments admitted to trading in European markets, with daily updates from trading venues.

Thanks to their features, some of which are partially in production, while others are still being developed, these systems will allow testing with simulated and real data. However, during the test stage CNMV cannot fully guarantee the robustness and quality of data repositories, which are updated daily from ESMA to the other authorities. This circumstance should not constitute an obstacle for entities to carry out these tests.

2 PLAN DESCRIPTION

2.1. SCOPE

The Operational Guide for Transaction Reporting to CNMV sets out the scope of entities allowed to report transactions, which are eligible to test the SCORE/CNMV system. These include obliged entities that will report through their own means, Trading Venues (Regulated Markets (RM), Multilateral Trading Facilities (MTF) and Organised Trading Facilities (OTF)), and Approved Reporting Mechanisms (ARM), authorised by CNMV or by any competent authority belonging to the European Economic Area (EEA).

Due to the complexity of the system and to all external organisations and systems involved, testing will be carried out in three distinct phases, which will be further described in the following chapter.

Entities are not obliged to carry out the Test Plan of the SCORE/CNMV system, but they are recommended to do so, insofar as they wish to be prepared for appropriate transaction reporting to CNMV. For this reason, the tests are described below in terms of their type, but they are not listed in detail or associated to specific aspects of the process. Entities are free to conduct as many tests of each type as they wish, the only restriction being the time frame assigned by CNMV.

2.2 PHASES OF THE PLAN

The tests recommended by CNMV focus on the most critical aspects of the procedure of transaction reporting to CNMV. The Test Plan of the SCORE/CNMV system contains three phases, which are described as follows:

- 1) **Entity unit tests.** This phase entails testing the functionalities of the system or systems implemented at the entity reporting the transactions. It focuses on testing the business processes involved in the generation of the daily files that include the transactions to be reported to CNMV. These tests:
 - a. Must be dealt with individually by every entity.
 - b. Should be supported by the documentation published by CNMV and ESMA.
 - c. Should include non-functional tests (performance, stress, large volume, security, etc.)
- 2) **CNMV integration tests.** In order to carry out the tests in this second phase, we recommend successful completion of the tests of the first phase. The aim is to guarantee access to the CNMV systems that are required for transaction reporting and for file sharing between the entity and CNMV, using any of the communication channels described in the CNMV Operational Guide.

- 3) **Pilot tests in pre-production.** In order to carry out the tests of this third phase, it is necessary to successfully complete the tests of the previous phases. Their aim is to test the entire system from beginning to end in a pre-production environment, using real data whenever possible. CNMV shall ensure the confidentiality of this information, which will be exclusively used for testing the systems developed by CNMV and by the entities. These data shall not be used for supervising the entities and shall be deleted from CNMV's systems at the end of the test phase.

CNMV recommends these three test phases both to entities that will already be reporting transactions when MiFIR becomes effective (January 2018), and to those entities that will start to report transactions on that date.

2.3 DESCRIPTION OF TESTS

CNMV has established the following necessary tests for each of the phases described above, without prejudice to other tests that entities may carry out using their own means:

I. Entity unit tests

- a. XML file generation and validation against ESMA schemes, both for content files and for the BAH (Business Application Header). CNMV recommends using the *MyStandards* platform provided by SWIFT to test XML files and to validate the schemes published by ESMA.
- b. XML file compression (for example, using WinZip).
- c. ZIP file signing using the entity's own means (for entities reporting through an FTPS channel), as specified in the CNMV Operational Guide.
- d. XML file generation using the appropriate naming convention of the CNMV Operational Guide.

II. CNMV integration tests

- a. Accessing the TRT – Transaction Reporting Test procedure within CIFRADOCC.
- b. Accessing CNMV's FTPS test server: TR-CNMV-TEST.
- c. Submitting files to CNMV using TRT within CIFRADOCC.
- d. Submitting files to CNMV using the FTPS test server.
- e. Receiving the Acknowledgement of receipt email from CIFRADOCC.
- f. Submitting files to CNMV with file errors. It is advisable to test all types of errors included in Chapter 5 of the CNMV Operational Guide.
- g. Submitting files to CNMV with content errors. It is also advisable to test several types of content errors, which are generally described in Chapter 5 of the CNMV Operational Guide and detailed in ESMA documentation (validation rules).
- h. Submitting files to CNMV without content errors.

- i. Submitting files to CNMV with transaction volumes similar to the ones that will be used in production.
- j. Receiving from SCORE/CNMV the FDB/FRQ feedback file.

III. Pilot tests in pre-production

- a. Submitting files to CNMV with real data.
- b. Receiving from SCORE/CNMV the FDB file with real data.
- c. Debugging and resubmitting to CNMV transactions with errors.

During the Test Plan, CNMV's systems will not work in a fully automatic way. Therefore, both the file reception processes and the feedback file validation and submission processes will be semi-automatic and will require manual intervention to supervise process control and test performance.

2.4 TEST STAGE

The CNMV transaction reporting Test Plan will be implemented in two stages, so that testing can be carried out in all phases related to both the entities and CNMV.

The time frames established by CNMV are the following:

- 1) Phase II: from 2 October to 30 November 2017.
- 2) Phase III: from 13 November to 15 December 2017.

Phase I (Entity unit tests) should be carried out, where possible, before carrying out Phase II along with CNMV. However, as Phase I is exclusively intended for entities, both phases can be carried out in parallel.

In order to carry out the tests in Phase III (Pilot tests in pre-production), whose time frame overlaps with Phase II, entities should first complete the tests in previous phases along with CNMV.

For those entities starting to report transactions to CNMV after MiFIR becomes effective (January 2018), CNMV also recommends completing these tests. For that purpose, CNMV shall set out the corresponding time frames, so they can complete them before starting to report transactions.

3 ORGANISATION OF THE PLAN

3.1 PROCEDURE FOR PARTICIPATION

Any entities willing to complete the Test Plan of the SCORE/CNMV system should request to do so by sending an email to the address score.uat@cnmv.es.

CNMV will then reply by email requesting the necessary contact details to register the entity that will participate in the tests. All requests must be sent to this email address, from which all information will be sent, including the necessary connection parameters (if any), guidelines to complete the tests and whether they have been successful or if they should be retaken.

There will also be information about the completion of the phases and about any possible changes in the time frames.

3.2 TEST ENVIRONMENT

There will be a test environment in place for the Test Plan of the SCORE/CNMV system, which will increase security during the tests between the entities and CNMV.

As mentioned above in this document, CNMV recommends using the *MyStandards* platform provided by SWIFT to test XML files and to validate the schemes published by ESMA.

Regarding communication channels, there will be an electronic testing procedure within CIFRADO, and specific access will be granted to CNMV's FTPS server so that tests can be carried out through this channel.

TESTING THROUGH CIFRADO

In order to carry out the connection tests through CIFRADO, entities must first sign up on the system (see the CNMV Operational Guide). In order to access the CIFRADO/CNMV system, entities must select from a list of procedures the electronic procedure "TRT – Transaction Reporting Test", whose aim is solely to test the access to CIFRADO, the electronic signature and communications with CNMV. After accessing the test form, users should only fill in the description field for the test file to be uploaded, and then upload the XML file, which will be compressed as a ZIP file and named following the naming convention described in the CNMV Operational Guide.

The file is then assigned a procedure number by the CIFRADO/CNMV system, but no official registration number is assigned. An acknowledgement of receipt email will be sent to the email address specified by the entity in the signing form.

TESTING THROUGH THE FTPS SERVER

In order to test the connection through CNMV's FTPS server, the entity must first request access to this service by explicitly stating so in an email sent to score.uat@cnmv.es. CNMV will then send an email to the entity with all the necessary parameters to access the server, which will in principle include:

Server name: FTPserver.cnmv.es

Protocol: SSL

Mode: PASSIVE

The remaining access data (User, Password, Input port, etc.) will be sent by email to the entity in response to the request.

Regarding the tests on file contents (Phases II and III), any limitations on the reference data made available at any time to CNMV may result in reduced control on such contents, if ESMA data repositories are not sufficiently robust. This situation, which is unavoidable due to the nature, complexity and characteristics of the project, should not affect the tests or their successful completion.

3.3 PRECONDITIONS FOR THE TEST PLAN

Entities eligible to participate in this Test Plan are Obligated Entities, Trading Venues and Approved Reporting Mechanisms authorised by CNMV (or in the sign-up process) or by another National Competent Authority (NCA), which have previously signed up at CNMV as transaction reporting entities.

An Entities Registration Form, published by CNMV, must be sent to CNMV by entities reporting under MiFIR, which should also request participation in the Test Plan by sending an email to the address score.uat@cnmv.es.

After the instructions, these entities should be able to access the test environment of the CIFRADO/CNMV system or of CNMV's FTPS server.

3.4 COMMUNICATING WITH CNMV

During the test stage, entities shall notify any aspects strictly related to the tests using the email address score.uat@cnmv.es to communicate with CNMV. This email address is managed by the Information Systems Department.