



Statement by CNMV on ESMA measures to facilitate the introduction of the LEI code for clients that are legal persons under Article 26 of MIFIR (Transaction Reporting)

20 December 2017

By way of a supplement to the [statement issued by the European Securities and Markets Authority \(ESMA\)](#) to facilitate the introduction of the LEI code, CNMV wishes to make the following clarifications regarding the temporary modification of a validation rule that allows the reporting of transactions where the date of issuance of the LEI is subsequent to the date of execution of the transaction to be accepted:

- This modification will affect all investment firms (which includes banks and other credit institutions) that are under the obligation to report transactions in financial instruments pursuant to Article 26 of the MIFIR (Transaction Reporting), the authorised reporting mechanisms (ARMs) and the trading venues that report on behalf of their members or due to the existence of a non-EU member.
- The modification affects the rules that validate that the date of issuance of the LEI is subsequent to the execution date of the transaction, and refers to ESMA transaction reporting validation rules 027, 043, 056 and 072¹, which affects fields 7, 12, 16 and 21 of the Annex to the CDR 590/2017, and exclusively in the part relating to section 2 on the verification of the date of issuance of the LEI, as indicated in the following table:

Rule ID	Field no	FIELD	Validation rule	Implementation	Error code	Error text	Set
027	7	Buyer identification code	2. The InitialRegistrationDate of the LEI shall be equal or before the trading date.	Application	CON-070	Buyer LEI XXX is not valid	1
043	12	Buyer decision maker code	2. The InitialRegistrationDate of the LEI shall be equal or before the trading date.	Application	CON-120	Buyer decision maker LEI XXX is not valid	1
056	16	Seller identification code	2. The InitialRegistrationDate of the LEI shall be equal or before the trading date.	Application	CON-160	Seller LEI XXX is not valid	1
072	21	Seller decision maker code	2. The InitialRegistrationDate of the LEI shall be equal or before the trading date.	Application	CON-210	Seller decision maker LEI XXX is not valid	1

¹ https://www.esma.europa.eu/sites/default/files/library/2016-1521_mifir_transaction_reporting_technical_reporting_instructions.pdf

- This modification will make it possible, once the client's LEI code is obtained, for the entity to report transactions and for CNMV to accept reporting of all transactions executed by the entity for a client that did not have the LEI code at the time of execution.
- All these entities must modify their systems to implement this amendment. Entities that do not do so will not be able to submit to CNMV the transactions executed under the aforementioned circumstances.
- The aforementioned temporary period will begin on 3 January 2018 and, therefore, will end on 2 July 2018. This means that 2 July will be the last day on which entities will be allowed to offer an investment service that triggers the Transaction Reporting obligation, for a client that has not previously obtained the LEI code, with the condition that, before providing the service, the entity obtain the necessary documentation from its client to request the LEI code on its behalf. As of 3 July, transactions executed on behalf of clients identified by an LEI code must have an LEI code where the issuance date is equal to or before 3 July.