**Change Request**

**for the update of ISO 20022 financial repository items**

1. **Origin of the request:**

*A.1 Submitter*:

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*A.3 Sponsors*:

The ECB and the Bank of England respectively for the Money Market Statistical Reporting (MMSR) and the Sterling Money Market Daily (SMMD) are using different versions of the ISO 20022 MoneyMarket reporting messages. The Authorities want to harmonise the usage and eliminate the different versions by combining the differences into common messages.

All organisations and communities which are currently using the messages have been consulted and the submitted change requests constitute the agreement found between all involved organisations (i.e. all organisations and stakeholders involved in the MMSR and the SMMD).

The sponsor is:

* Bank of England, Threadneedle St, London, EC2R 8AH

*Contact person:*

Rob Harris

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1. **Related messages:**

The related messages belong to the ISO 20022 securities messages, Money Market Statistical Reporting. The list of ISO 20022 messages which would be impacted by the change are:

|  |  |
| --- | --- |
| **Message Name** | **Msg ID (Schema)** |
| MoneyMarketSecuredMarketStatisticalReportV01 | [auth.012.001.01](https://www.iso20022.org/documents/messages/auth/schemas/auth.012.001.01.zip) |
| MoneyMarketUnsecuredMarketStatisticalReportV01 | [auth.013.001.01](https://www.iso20022.org/documents/messages/auth/schemas/auth.013.001.01.zip) |
| MoneyMarketForeignExchangeSwapsStatisticalReportV01 | [auth.014.001.01](https://www.iso20022.org/documents/messages/auth/schemas/auth.014.001.01.zip) |
| MoneyMarketOvernightIndexSwapsStatisticalReportV01 | [auth.015.001.01](https://www.iso20022.org/documents/messages/auth/schemas/auth.015.001.01.zip) |

The proposed changes are expected to not to have an impact on other messages than the ones listed above.

Moreover, the change request does not impact the following message that was part of the original message set at the time of submission:

|  |  |
| --- | --- |
| MoneyMarketStatisticalReportStatusAdviceV01 | [auth.028.001.01](https://www.iso20022.org/documents/messages/auth/schemas/auth.028.001.01.zip) |

1. **Description of the change request:**
2. Introduction of the new code ‘NORA’ (No Report from Reporting Agent) to the list of codes included under ‘DataSetAction’. It is requested to introduce this change to all related messages listed in Section B.
3. The multiplicity of the element ‘Sign’ (which is part of the ‘Deal Rate’ and ‘FixedInterestRate’) to be changed from optional ‘[0..1]’ to mandatory ‘[1..1]’ in
   * MoneyMarketSecuredMarketStatisticalReportV01,
   * MoneyMarketUnsecuredMarketStatisticalReportV01,
   * MoneyMarketOvernightIndexSwapsStatisticalReportV01.

Moreover, the ‘SignRule’ is to be eliminated from those messages since it is only relevant for the case that the ‘Sign’ is an optional element.

1. Introduction of a new (dummy) variable called ‘Novation’. The dummy variable is proposed to have two possible values as described in the table below. In particular, this new optional element is requested to be introduced in all related messages at the first level of the transactions <Tx> (as described in the table below).

Furthermore, an additional optional element ‘LinkedPrtryTxId’ is requested to be added to indicate the PTI of the transaction which is novated.

|  |  |  |  |
| --- | --- | --- | --- |
| **Or** | **MessageElement <XML Tag>** | **Mult.** | **Type** |
| {Or | DataSetAction <DataSetActn> | [1..1] | CodeSet |
| Or} | Transaction <Tx> | [1..\*] |  |
|  | … |  |  |
|  | NovationStatus <NovaSts> | [0..1] | CodeSet |
| cid:image008.png@01D2046B.B9427DC0 | LinkedProprietaryTransactionIdentification <LinkedPrtryTxId> | [0..1] | Text |
|  | … |  |  |

The element NovationStatus <NovaSts> should be populated with one of the following two codes:

|  |  |  |
| --- | --- | --- |
| **CodeName** | **Name** | **Definition** |
| NOVA | Novation | Transaction is a novation. |
| NONO | NoNovation | Transaction is not a novation. |

1. Adding the new code ‘MRRP’ to the variable ‘SpecialCollateralIndicator’. The updated code list table for SpecialCollateralIndicator is requested to be updated to:

|  |  |  |
| --- | --- | --- |
| **CodeName** | **Name** | **Definition** |
| MRRP | Matched repos and reverse repos | A securities lending transaction, made of repos and reverse repos versus cash |
| GENE | GeneralRepurchaseAgreement | A general repurchase transaction |
| SPEC | SpecialRepurchaseAgreement | A special repurchase transaction |

1. Changing the structure of the elements of the ‘CounterpartyIdentification’

It is requested to change the elements of the ‘CounterpartyIdentification’ as presented in the table below to avoid the double-OR-structure within the ‘CounterpartyIndentification’ block.

|  |  |  |  |
| --- | --- | --- | --- |
| **Or** | **MessageElement<XML Tag>** | **Mult.** | **Type** |
| {Or | LEI <LEI> | [1..1] | IdentifierSet |
| Or | SectorLocation <SctrLctn> | [1..1] |  |
|  | Sector <Sctr> | [1..1] | IdentifierSet |
|  | Location <Lctn> | [1..1] | CodeSet |
| Or} | NameLocation <NmLctn> | [1..1] |  |
|  | Name <Nm> | [1..1] | Text |
|  | Location <Lctn> | [1..1] | CodeSet |

1. **Purpose of the change:**
2. Currently, the code list only contains the code NOTX which is used by reporting agents to indicate that they have no transactions to report. The additional code NORA is requested to be introduced to allow indicating that a reporting agent did not submit a report to the respective National Central Banks (NCBs). The NCBs will use the NORA code to indicate to the ECB that they did not receive a report from their reporting agent. The respective data flows are presented below:



1. The current schema which foresees an optional element in combination with the Sign Rule proved to be not to be very user friendly. The current Sign Rule instructs the users to not provide a sign in case the rate is zero and leaves the reporting of the sign optional for the case of positive rates. Currently, the respective elements of the XML-schema are frequently not correctly populated. For example, since the sign tag is optional sometimes negative rates are reported without the sign (and therefore interpreted as positive). To ensure a correct reporting of the sign of the rates, it is deemed necessary to make the reporting of the sign tag mandatory for all cases.
2. This new element is needed to identify novated transactions since they differ in their structure from ‘normal’ transactions. Novated transactions can have a different maturity structure as in this case the Trade Date can be after the Settlement Date (which still refers to the initial transaction). While this different maturity structure can already be reported with the current messages, the new fields will allow to report the respective transactions as such and to link them to the related initial transaction (which was novated). This change will allow distinguishing between novated transactions and regular transactions, providing substantial benefit for the subsequent Data Quality Management which is conducted by the data collections. More specifically, the new fields will allow identifying transactions reported with error. Furthermore, the new field to link the novated transaction to the initial transaction will provide more information which will be important from an analytical perspective.
3. A new element is requested to be included in the code list to distinguish security-driven and cash-driven transactions in the secured segment. The current code list allows flagging a secured transaction either as general or special repurchase agreement. In addition to the existing codes, the new code would allow for the identification of a secured transaction as securities lending transaction against cash. After the start of the MMSR data collection, this request has been brought forward by many stakeholders since the current implementation is perceived to be insufficient. In this respect we request the inclusion of the new code to the current code list to facilitate the reporting.
4. The current XML-schemas contain a very complex structure in the ‘CounterpartyIdentification’ block. There is a two level nested structure to identify the counterparty. This structure generated many questions regarding the necessary IT implementation on the side of the reporting agents to correctly provide the required information. It was found that the current implementation is overly complex and can be misleading. In this respect, the requested change aims at reducing the complexity of the XML structure while increasing clarity regarding the information which has to be reported.
5. **Urgency of the request:**

The proposed changes would need to be implemented as soon as possible since the MMSR and the SMMD are already collecting data at a daily frequency by each using their respective versions of the XML-schemas. The current version of the public messages has not yet been used so far.

Introducing these changes to the current public messages before the yearly maintenance cycle will allow eliminating the two versions of the candidate messages sooner and use only one new version of the public messages.

In parallel to the update of the messages, the respective reporting instructions will need to be updated and sufficient lead time will be provided to the reporting institutions to adapt their instructions to the changed messages once these are approved and published.

The changes will also allow the authorities to collect enriched transaction details that are needed for the data analysis and quality management.

The submitters and sponsor of this change request look forward to the acknowledgement of the urgency of its implementation as the alternative would be for each authority to adapt its respective version of the candidate messages that would multiply the implementation costs for the authorities and for the reporting institutions.

1. **Business examples:**

See Sections D and E.

**SEG/TSG recommendation:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Consider** | | X | **Timing** |
|  | | - **Next yearly cycle: 2017/2018**  (the change will be considered for implementation in the yearly maintenance cycle which starts in 2017 and completes with the publication of new message versions in the spring of 2018) | |  |
|  | | - **At the occasion of the next maintenance of the messages**  (the change will be considered for implementation, but does not justify maintenance of the messages in its own right – will be pending until more critical change requests are received for the messages) | |  |
|  | | - **Urgent unscheduled**  (the change justifies an urgent implementation outside of the normal yearly cycle) | | X |  |
|  | | - **Other timing:** | | |  |

Comments:

The SEG agreed to consider the CR for urgent implementation. Separate comments were communicated directly to the submitter by a SEG member.

|  |  |
| --- | --- |
| **Reject** |  |

Reason for rejection: