

MiFID II Transaction Reporting Overview

With effect from 3 January 2018, like all platforms, we are required to report more data than we have in the past for certain transactions. If we do not hold all the data we need then we may have to block certain transactions.

Why are things changing?

The new requirements are part of EU regulations designed to detect and deter market abuse.

What did we report prior to the introduction of MiFID II Transaction Reporting on 3 January 2018?

We reported codes relating to buys and sales only. No client data was provided.

What do we report now?

We now report client personal data rather than firm generated codes. This means we need to hold more detailed data about clients. We need to capture your clients' full names (e.g. Pamela not Pam), missing middle names, National Insurance Number or a country specific identifier for clients with a nationality other than British. We are required to report registered contacts for minors and attorneys with authority under a power of attorney. We also need to use Legal Entity Identifiers (LEI) to identify companies, charities and trusts in transaction reports.

Which transactions have been affected?

We now report off-market transactions, some primary market transactions, corporate actions and asset transfers where there is a change in ownership or beneficiary, say from joint to individual portfolio, or from a settlor to a trust portfolio.

Which investments are included?

Company shares, ETFs, VCTs, investment trusts, closed-ended investment companies and traded bonds are affected. Most structured products offered on Transact are also caught due to the nature of the underlying instrument.

Transactions in some unit trusts and OEICs are reportable if they are admitted to trading or traded on a trading venue. We only report when the relevant funds are transferred between Portfolios and not when they are purchased or sold. Purchases and sales are not reportable because firms do not need to report when cancelling and creating units with a fund manager.

Why is it important to maintain complete and accurate data?

Failure to maintain complete and accurate data can lead to your clients experiencing delays when they come to purchase, sell or transfer these investments.

We undertook a data collection exercise in 2018 to ensure that we had all the required client information recorded on file.

We provided advisers with a downloadable spreadsheet of their affected clients on TOL. This spreadsheet was completed by advisers and returned to us, via secure email, to complete the clients' details. This exercise was completed in early 2019 and since then this spreadsheet functionality has been removed. However, it is important for you to

periodically review client information and inform us where any information remains incomplete or inaccurate. Common examples include:

- having an initial for a middle name,
- a change in surname and/or nationality following marriage or divorce,
- a new passport number following renewal where this is the identifier (Non-EEA nationals), or
- a UK national receiving their first National Insurance Number.

Any changes to a client's personal details need to be submitted by completing a Change of Personal Details form (T036).

Does every company, trust and charity have to provide an LEI?

No. There is a cost associated to purchasing an LEI which can be bought from many accredited providers and suppliers. For example, EQS charge £44 for an initial application and £61 for a renewal. We do not insist all these clients have an LEI, however trusts, companies and charities will lose their ability to trade the affected investments if they don't.

How do the regulations affect Discretionary Investment Managers or advisers with permission to manage investments?

If you have permission to manage investments (as a linked adviser or a third party Discretionary Investment Manager) then there is a reporting obligation. Either we can report on your behalf if you sign up to our transmission service, or provide you with data so that you can report. The second guide below details how each of these approaches work in practice, and what you need to do. For example, if we report on your behalf then we need you to sign and return the A006 Transaction Reporting Application form and to report the employees' names at your firm who are making investment decisions under a discretionary mandate. If you do not take any action your clients may incur delays or restrict their investment choices in the future.

Where can I find more details?

We have developed the guides below to help you:

- 1. Transaction Reporting Technical Guide** - A more detailed explanation about MiFID II Transaction Reporting.
- 2. User Guide - Transaction Reporting for DIMs and Advisers with Permission to Manage Investments** - To explain the options available to you.

The above resources are available from the [Transact website](#). For more information please contact your Transact Adviser Support Manager, Transact Business Development Manager or Sales Support on (020) 7608 5350 or salesupport@integratin.co.uk

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