

In case of discrepancies between the French and the English text,
the French text shall prevail

Compendium of verification rules for the security by security reporting of undertakings for collective investment

Banque centrale du Luxembourg

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1 Introduction

This compendium groups all the verification rules that apply to the security by security reporting of undertakings for collective investment. Instructions concerning data collection are detailed in the document «Instructions for the security by security reporting of undertakings for collective investment».

The aim of the present document is to describe the various internal consistency checks executed by the BCL on the security by security reporting (SBS) as well as the consistency checks between the security by security reporting and the reports S 1.3 for money market funds and S 2.13 for investment funds.

We should like to insist on the importance of data quality for data transmitted to the BCL as well as the necessity of prior data submission to the verification rules detailed in the technical documentation. Only rigorous control during the entire data production cycle will enable respecting the quality requirements as well as set reporting delays. This point is all the more important since collected data will be double-checked by the ECB before aggregation with the data of the other Member states. Any error or important negligence will have harmful repercussions on the reputation of the whole community of the Luxembourg financial institutions.

2 Verification rules

The verification rules are split into 2 groups, namely those that have a permanent character and those that having a temporary character. As far as concerns the verification rules having a permanent character, we invite software providers to implement these rules whereas the temporary verification rules are more specifically addressed to the reporting agents. The latter are invited to take these rules into account when preparing the data.

2.1 Permanent verification rules

The security by security reporting is subject to internal verification rules and consistency checks with the statistical reports S 1.3 and/or S 2.13.

2.1.1 Internal verification rules for the security by security reporting on balance sheet data

The following internal verification rules are applicable.

- 1 the following items are authorised:
 - 1-030 Securities other than shares
 - 1-051 Shares and other equity – Quoted shares
 - 1-052 Shares and other equity – Unquoted shares
 - 1-061 Participating interests – Quoted shares
 - 1-062 Participating interests – Unquoted shares
 - 2-040 Shares/units issued
 - 2-025 Borrowings / Short sales of securities
 - 2-112 Other liabilities / Debt securities issued

2 the following lines are authorised:

Item1-030	Item 1-051	Item 1-052
1-030-XX-XXX-90000	1-051-XX-XXX-90000	1-052-XX-XXX-90000

Item 1-061	Item 1-062
1-061-XX-XXX-90000	1-062-XX-XXX-90000

Item 2-025	Item 2-040	Item 2-112
2-025-XX-XXX-90000	2-040-XX-XXX-90000	2-112-XX-XXX-90000

- 3 for each security, the reported amount (*reportedAmount*) must be greater than or equal to zero.
- 4 for each security quoted in percentage points, if the reported amount (*reportedAmount*) is greater than zero, the nominal capital (*nominalAmount*) must also be greater than zero.
- 5 for each security quoted in number of units, if the reported amount (*reportedAmount*) is greater than zero, the number of units (*numberOfUnits*) must also be greater than zero.
- 6 securities reported with an ISIN number must satisfy the ISO 6166 norm, notably:
- The two first digits must correspond to a valid country code (ISO 3166) at the date of issue of the security or to EU, XA, XB, XC, XD and XS. In particular, a code whose two first digits are DU, EV, HF, HS, QS, QT, QU, QY, TE, XF, XX, ZZ is not considered as a valid ISIN code.
 - The checking by the key.
- 7 for securities without ISIN number, the country of the issuer must be in line with the ISO codification (ISO 3166), completed by specific codes that the BCL allocated to supranational institutions. The latter are listed in the document «Definitions and

concepts for the statistical reporting of credit institutions».

The following values must not be used:

- X1
- X2
- X3
- X4
- XX

- 8 for securities without ISIN number, the sector of the issuer must be in line with the list under point 4.2 of the document «Definitions and concepts for the statistical reporting of credit institutions».

The authorised values are:

Code	Sector
11100	Central banks
11200	Other credit institutions
12100	Other MFIs / Money market funds
12200	Other MFIs / Other than Money market funds
31000	Central government
32100	State government
32200	Local government
32300	Social security funds
39000	International institutions except ECB
41111	Holdings / Soparfis (Sociétés de participations financières)
41112	Investment funds (IFs)
41113	Securitisation vehicles
41114	Central counterparties
41119	Other financial intermediaries
41120	Financial and insurance auxiliaries
41210	Insurance corporations
41220	Pension funds
42100	Non financial corporations
42211	Households – sole proprietors
42212	Households – physical persons
42220	Non profit institutions serving households

- 9 the sector code «12200» Other MFI / Other than MMF must only be used in combination with the country code of European Union Member State that reports such entities on the list of MFIs published by the European Central Bank
- 10 the issuer sector code «39000» Supranational institutions except ECB may only be used in combination with a country code of a supranational institution: (XB, XC, XD, XE, XG) and vice versa.
- 11 the type of holding of a security may take the following values:

Item	Authorised values
1-030	01, 02, 03
1-051	01, 02, 03
1-052	01, 02, 03
1-061	01, 02, 03
1-062	01, 02, 03
2-025	05
2-030	04
2-112	04

- 12 the currency of the nominal must be in line with the ISO codification (ISO 4217)
The following values must not be used:

- XX1
- XX2
- XX5
- XXX

13 the type of security may take the following values :

Item	Authorised values
1-030	F.33
1-051	F.511, F.52
1-052	F.512, F.52
1-061	F.511, F.52
1-062	F.512, F.52
2-025	F.33, F.511, F.512, F.52
2-040	F.52
2-112	F.33

14 for securities without ISIN number, issued by resident undertakings for collective investment, the following combination must be used:

Element	Authorised values
Country of issuer	LU
Sector of issuer	11200 (money market funds) 41112 (investment funds)
Type of holding	04
Type of security	F.52 (item 2-040) F.33 (item 2-112)

15 the issue date (*issueDate*) must be lower than or equal to the closing date (*closingDate*).

16 the value of the *Pool factor* must be greater than 0.

It must not be equal to 0.

In exceptional cases the value of the pool factor may exceed 1.

If the «*pool factor*» is not applicable to securities other than shares, the default value «1» must be reported.

17 the coupon type must take one of the following values:

Code	Coupon type
01	fixed
02	progressive
03	floating
04	zero coupon
05	index linked
99	other

18 The coupon frequency must take one of the following values:

Code	Coupon frequency
00	zero coupon
01	annual
02	semi annual
04	quarterly
06	bi-monthly
12	monthly
24	fortnightly
99	other

19 the coupon type «zero coupon» (*couponType* = 04) may only be used in combination with the coupon frequency «zero coupon» (*couponFrequency* = 00) and vice versa.

20 the payment date of the last coupon (*couponLastPaymentDate*)

- The payment date of the last coupon must be greater than or equal to the issue date (*issueDate*).
- The payment date of the last coupon must be lower than or equal to the final maturity issue date (*finalMaturityDate*).
- If no coupon payment was made, the date of the last coupon payment (*couponLastPaymentDate*) is the issue date of the security.

21 the coupon rate (*couponRate*) is the annualised rate applicable at the date of the report and expressed in percentage. For example, the value to be reported for an annualised coupon rate of 5,5% is 5,5.

- 22 the difference between the date of the end of the month and the payment date of the last coupon (*endofMonthdate* – *couponLastPaymentDate*) must be coherent with the coupon frequency.

Code	Coupon frequency	<i>endofMonthdate</i> – <i>couponLastPaymentDate</i>
00	zero coupon	≥ 0
01	annual	≥ 0 and < 720 days
02	semi annual	≥ 0 and < 360 days
04	quarterly	≥ 0 and < 180 days
06	bi-monthly	≥ 0 and < 124 days
12	monthly	≥ 0 and < 62 days
24	fortnightly	≥ 0 and < 31 days
99	other	≥ 0

Remark

The criteria are twice the number of days of the coupon frequency in order to allow exceptions for the first coupon payment.

- 23 if the payment date of the last coupon (*couponLastPaymentDate*) is strictly greater than the issue date (*issueDate*) and strictly lower than the final maturity date (*finalMaturityDate*), then the coupon rate must be greater than zero (*couponRate* > 0).
- 24 If the frequency of coupon is not zero coupon (*couponFrequency* $\neq 00$) and the coupon type is fixed (*couponType* = 01) then the coupon rate must be greater than zero (*couponRate* > 0).

- 25 as a rule, the date of a split or a reverse split of shares/units (*splitdate*) must be the date of the period of the first statistical reporting: 31.12.2008. If a split or a reverse split has occurred during the reference period, the date is the day of the month during which the operation took place
- 26 the default value for the split ratio (*splitRatio*) is 1. If a split has occurred during the reference period, the ratio (*splitRatio*) equals the number of new shares/units for an existing share/unit. If a split has occurred, the ratio is higher than 1. If a reverse split has occurred the ratio is between 0 and 1.

2.1.2 Verification rules between the security by security reporting on balance sheet data and report S 1.1

The following verification rules are applicable:

- the amount reported in line 1-030-XX-XXX-90000 of reports S 1.3 / S 2.13 must correspond to the total amount reported (*totalReportedAmount*) for the identifier of the balance sheet line 1-030
- the amount reported in line 1-051-XX-XXX-90000 of reports S 1.3 / S 2.13 must correspond to the total amount reported (*totalReportedAmount*) for the identifier of the balance sheet line 1-051
- the amount reported in line 1-052-XX-XXX-90000 of reports S 1.3 / S 2.13 must correspond to the total amount reported (*totalReportedAmount*) for the identifier of the balance sheet line 1-052
- the amount reported in line 1-061-XX-XXX-90000 of reports S 1.3 / S 2.13 must correspond to the total amount reported (*totalReportedAmount*) for the identifier of the balance sheet line 1-061
- the amount reported in line 1-062-XX-XXX-90000 of reports S 1.3 / S 2.13 must correspond to the total amount reported (*totalReportedAmount*) for the identifier of the balance sheet line 1-062
- the amount reported in line 2-025-XX-XXX-90000 of reports S 1.3 / S 2.13 must correspond to the total amount reported (*totalReportedAmount*) for the identifier of the balance sheet line 2-025

- the amount reported in line 2-040-XX-XXX-90000 of reports S 1.3 / S 2.13 must correspond to the total amount reported (*totalReportedAmount*) for the identifier of the balance sheet line 2-040
- the amount reported in line 2-112-XXX-90000 of reports S 1.3 / S 2.13 must correspond to the total amount reported (*totalReportedAmount*) for the identifier of the balance sheet line 2-112

2.2 Temporary verification rules

2.2.1 Internal verification rules for the security by security reporting on balance sheet data

The following temporary verification rules must be applied.

~~1sector code «12200» Other MFI / Other than MMF must not be used in combination with country code «LU»~~

21 The sector code «32100» State administration may only be used in combination with a country code of a country that has adopted the structure of a federal state.

The following countries have a federal structure:

- AE United Arab Emirates
- AR Argentina
- AT Austria
- AU Australia
- BA Bosnia-Herzegovina
- BE Belgium
- BR Brazil
- CA Canada
- CH Switzerland
- DE Germany
- ES Spain



- ET Ethiopia
- FM Micronesia
- IN India
- KM Camorras
- KN Saint-Kitts-et-Nevis
- MY Malaysia
- MX Mexico
- NG Nigeria
- PK Pakistan
- RS Serbia
- RU Russia
- US United States of America
- VE Venezuela