

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
credit institutions
Information on assets held on behalf of
third parties - BOB**

Banque centrale du Luxembourg

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1 Introduction

This compendium groups all verification rules that apply to the security by security reporting of credit institutions regarding information on assets held on behalf of third parties. Instructions concerning data collection are detailed in the document «Instructions for the security by security reporting of credit institutions - Information on assets held on behalf of third parties».

The aim of the present document is to describe the various internal consistency checks executed by the BCL on the security by security reporting of credit institutions regarding information on assets held on behalf of third parties (TPTBOB) as of data reception.

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 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 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 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 on assets held by credit institutions on behalf of third parties is subject to internal verification rules.

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 lines are authorised:

Lines
3-070-XX-XXX-12200
3-070-XX-XXX-31000
3-070-XX-XXX-32100
3-070-XX-XXX-32200
3-070-XX-XXX-32300
3-070-XX-XXX-41111
3-070-XX-XXX-41113
3-070-XX-XXX-41114
3-070-XX-XXX-41119
3-070-XX-XXX-41120

Lignes
3-070-XX-XXX-41210
3-070-XX-XXX-41220
3-070-XX-XXX-42100
3-070-XX-XXX-42211
3-070-XX-XXX-42212
3-070-XX-XXX-42220

- 2 For each security, the following relationship must be observed between the type of holding (*holdsecurityType*) and the reported amount (*reportedAmount*).

Type of holding	Reported amount
01	≥ 0
02	≥ 0
03	≥ 0
05	≤ 0

- 3 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. However, if the type of holding is «05», the reported amount (*reportedAmount*) as well as the quantity (*nominalAmount*) must be negative.
- 4 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. However, if the type of holding is «05», the reported amount (*reportedAmount*) as well as the number of units (*numberOfUnits*) must be negative.

- 5 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 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 being a valid ISIN code.
 - The checking by the key.
- 6 For securities without an 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

- 7 For securities without an ISIN number, the sector of the issuer must be in line with the list on page 50 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

- 8 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
- 9 The issuer sector code «39000» International institutions except ECB may only be used in combination with a country code of an international institution: (XB, XC, XD, XE, XG) and vice versa.
- 10 The type of holding of a security may take the following values:

Type of holding
01
02
03
05

- 11 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

12 For securities without ISIN number the ~~the~~ type of security may take the following values :

Authorised values	Type of security
F.33	Securities other than shares
F.511	Shares and other equity – quoted securities
F.512	Shares and other equity – unquoted securities
F.52	Shares/units of UCIs

13 For type of security F.52 only economic sector codes 12100 and 41112 are allowed

14 For the type of security F.33, F.511 et F.512 economic sectors 12100 and 41112 must not be used

~~13~~15 The issue date (*issueDate*) must be lower than or equal to the closing date (*closingDate*).

~~14~~16 The value of the *Pool factor* must be greater than zero.

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

4517 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

4618 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

4719 The coupon type «zero coupon» (*couponType* = 04) may only be used in combination with the coupon frequency «zero coupon» (*couponFrequency* = 00) and vice versa.

4820 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 date (*finalMaturityDate*).

- If no coupon payment was made, the date of the last coupon payment (*couponLastPaymentDate*) is the issue date of the security.

4921 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.

2022 The coupon rate (*couponRate*) is the annualised rate expressed in percentage. For instance, the value to be reported for an annualised coupon rate of 5,5% is 5,5

2123 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).

2224 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).

2.2 Temporary verification rules

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

The following temporary verification rules must be applied:

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

- 2 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