



Council of the
European Union

Brussels, 27 April 2016
(OR. en)

Interinstitutional File:
2016/0033 (COD)

8356/16
ADD 1

EF 97
ECOFIN 330
DELECT 72

COVER NOTE

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	25 April 2016
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	C(2016) 2398 final ANNEXES 1 to 4
Subject:	ANNEXES to the COMMISSION DELEGATED REGULATION supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purpose of that Directive

Delegations will find attached document C(2016) 2398 final ANNEXES 1 to 4.

Encl.: C(2016) 2398 final ANNEXES 1 to 4



EUROPEAN
COMMISSION

Brussels, 25.4.2016
C(2016) 2398 final

ANNEXES 1 to 4

ANNEXES

to the

COMMISSION DELEGATED REGULATION

supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purpose of that Directive

{SWD(2016) 138 final}
{SWD(2016) 139 final}

Annex I
Record-keeping

Minimum list of records to be kept by investment firms depending upon the nature of their activities

Nature of obligation	Type of record	Summary of content	Legislative reference
Client assessment			
	Information to clients	<p>Content as provided for under Article 24(4) of Directive 2014/65/EU and Articles 39 to 45 of Commission Delegated Regulation (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]</p>	<p>Article 24 (4) MIFID II</p> <p>Articles 39 to 45 of Commission Delegated Regulation (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]</p>
	Client agreements	<p>Records as provided for under Article 25(5) of Directive 2014/65/EU</p>	<p>Article 25(5) MIFID II</p> <p>Article 53 of Commission Delegated Regulation (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]</p>
	Assessment of suitability and appropriateness	<p>Content as provided for under Article 25(2) and 25(3) of Directive 2014/65/EU and Article 50 of the Commission Delegated</p>	<p>Article 25(2) and 25(3) of Directive 2014/65/EU</p> <p>Articles 35, 36 and 37 of Commission Delegated Regulation (EU) .../...</p> <p>[supplementing Directive</p>

		Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]	2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]
Order handling			
	Client order-handling - Aggregated transactions	Records as provided for under Articles 63 to 66 of the Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]	Articles 24(1) and 28(1) of Directive 2014/65/EU Articles 63 to 66 of the Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]
	Aggregation and allocation of transactions for own account	Records as provided for under Article 65 of Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]	Articles 28(1) and 24(1) of Directive 2014/65/EU Article 65 of the Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]
Client Orders and transactions			

	Record keeping of client orders or decision to deal	Records as provided for under Article 69 of Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]	Article 16(6) of Directive 2014/65/EU Article 69 of Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]
	Record keeping of transactions and order processing	Records as provided for under Article 70 of Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]	Article 16(6) of Directive 2014/65/EU Article 70 of Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]
Reporting to clients			
	Obligation in respect of services provided to clients	Contents as provided for under Articles 53 to 58 of Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that	Articles 24(1) and (6) and 25(1) and (6) of Directive 2014/65/EU Articles 53 to 58 of Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the

		Directive]	purposes of that Directive]
Safeguarding of client assets			
	Client financial instruments held by an investment firm	<p>Records as provided for under Article 16(8) of Directive 2014/65/EU and under Article 2 of the Commission Delegated Directive (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits]</p>	<p>Article 16(8) of Directive 2014/65/EU</p> <p>Article 2 of the Commission Delegated Directive (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits]</p>
	Client funds held by an investment firm	<p>Records as provided for under Article 16(9) of Directive 2014/65/EU and under Article 2 of the Commission Delegated Directive (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits]</p>	<p>Article 16(9) of Directive 2014/65/EU</p> <p>Article 2 of the Commission Delegated Directive (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits]</p>

	Use of client financial instruments	<p>Records provided for under Article 5 of the Commission Delegated Directive (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits]</p>	<p>Article 16(8) to (10) of Directive 2014/65/EU</p> <p>Article 5 of the Commission Delegated Directive (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits]</p>
Communication with clients			
	Information about Costs and associated charges	<p>Contents as provided for under Article 45 of the Commission Delegated Regulation (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]</p>	<p>Article 24(4)(c) of Directive 2014/65/EU</p> <p>Article 45 of the Commission Delegated Regulation (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]</p>
	Information about the investment firm and its services, financial instruments and safeguarding of client assets	<p>Content as provided for under Articles of the Commission Delegated Regulation (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and</p>	<p>Art 24 (4) of Directive 2014/65/EU</p> <p>Articles 45 and 46 of the Commission Delegated Regulation (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational</p>

		operating conditions for investment firms and defined terms for the purposes of that Directive]	requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]
	Information to clients	Records of communication	Article 24(3) of Directive 2014/65/EU Article 39 of the Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]
	Marketing communications (except in oral form)	Each marketing communication issued by the investment firm (except in oral form) as provided under Article 36 and 37 of the Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]	Article 24(3) of Directive 2014/65/EU Article 36 and 37 of the Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]
	Investment advice to retail clients	(i) The fact, time and date that investment advice was rendered and (ii) the financial instrument that was recommended (iii) the suitability report provided to the client	Article 25(6) of Directive 2014/65/EU Article 54 of the Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and

			of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]
	Investment research	Each item of investment research issued by the investment firm in a durable medium	Article 24(3) of Directive 2014/65/EU Article 36 and 37 of the Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]
Organisational requirements			
	The firm's business and internal organisation	Records as provided for under Article 21(1)(h) of the Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]	Article 16(2) to (10) of Directive 2014/65/EU Article 21(1)(h) of the Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]
	Compliance reports	Each compliance report to management body	Art 16 (2) of Directive 2014/65/EU Articles 22(2)(b) and 25(2) of the Commission Delegated Regulation (EU) .../... [supplementing Directive

			2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]
	Conflict of Interest record	Records as provided for under Article 35 of the Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]	Article 16 (3) of Directive 2014/65/EU Article 35 of the Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive]
	Inducements	The information disclosed to clients under Article 24(9) of Directive 2014/65/EU	Article 24(9) of Directive 2014/65/EU Article 11 of the Commission Delegated Directive (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits]
	Risk management reports	Each risk management report to senior management	Article 16(5) of Directive 2014/65/EU Articles 23(1)(b) and 25(2)

			<p>of the Commission Delegated Regulation (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive].</p>
	Internal audit reports	Each internal audit report to senior management	<p>Article 16(5) of Directive 2014/65/EU</p> <p>Articles 24 and 25(2) of the Commission Delegated Regulation (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive].</p>
	Complaints-handling records	Each complaint and the complaint handling measures taken to address the com-plaint	<p>Article 16(2) of Directive 2014/65/EU</p> <p>Article 26 of the Commission Delegated Regulation (EU) .../...</p> <p>[supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive].</p>
	Records of personal	Records as provided for under Article	Article 16(2) of Directive

	transactions	29(2)(c) of the Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive].	2014/65/EU Article 29(2)(c) of the Commission Delegated Regulation (EU) .../... [supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive].
--	--------------	---	---

Annex II
Costs and charges

Identified costs that should form part of the costs to be disclosed to the clients¹

Table 1 - All costs and associated charges charged for the investment service(s) and/or ancillary services provided to the client that should form part of the amount to be disclosed

Cost items to be disclosed		Examples:
One-off charges related to the provision of an investment service	All costs and charges paid to the investment firm at the beginning or at the end of the provided investment service(s).	Deposit fees, termination fees and switching costs ² .
On-going charges related to the provision of an investment service	All on-going costs and charges paid to investment firms for their services provided to the client.	Management fees, advisory fees, custodian fees.

¹ It should be noted that certain cost items appear in both tables but are not duplicative since they respectively refer to costs of the product and costs of the service. Examples are the management fees (in table 1, this refers to management fees charged by an investment firm providing the service of portfolio management to its clients while in Table 2 it refers to management fees charged by an investment fund manager to its investor) and broker commissions (in Table 1, they refer to commissions incurred by the investment firm when trading on behalf of its clients while in Table 2 they refer to commissions paid by investment funds when trading on behalf of the fund).

² Switching costs should be understood as costs (if any) that are incurred by investors by switching from one investment firm to another investment firm.

All costs related to transactions initiated in the course of the provision of an investment service	All costs and charges that are related to transactions performed by the investment firm or other parties.	Broker commissions ³ , entry- and exit charges paid to the fund manager, platform fees, mark ups (embedded in the transaction price), stamp duty, transactions tax and foreign exchange costs.
Any charges that are related to ancillary services	Any costs and charges that are related to ancillary services that are not included in the costs mentioned above.	Research costs. Custody costs.
Incidental costs		Performance fees

Table 2 - All costs and associated charges related to the financial instrument that should form part of the amount to be disclosed

Cost items to be disclosed		Examples:
One-off charges	All costs and charges (included in the price or in addition to the price of the financial instrument) paid to product suppliers at the beginning or at the end of the investment in the financial instrument.	Front-loaded management fee, structuring fee ⁴ , distribution fee.
On-going charges	All on-going costs and charges related to the management of the financial product that are deducted from the value of the financial instrument during the investment in the financial instrument.	Management fees, service costs, swap fees, securities lending costs and taxes, financing costs.
All costs related to the transactions	All costs and charges that incurred as a result of the acquisition and disposal of investments.	Broker commissions, entry- and exit charges paid by the fund, mark ups embedded in the transaction price, stamp duty, transactions tax and foreign exchange costs.

³ Broker commissions should be understood as costs that are charged by investment firms for the execution of orders.

⁴ Structuring fees should be understood as fees charged by manufacturers of structured investment products for structuring the products. They may cover a broader range of services provided by the manufacturer.

Incidental costs		Performance fees
------------------	--	------------------

ANNEX III

Requirement for operators of trading venues to immediately inform their national competent authority

SECTION A

Signals that may indicate significant infringements of the rules of a trading venue or disorderly trading conditions or system disruptions in relation to a financial instrument

Significant infringements of the rules of a trading venue

1. Market participants infringe rules of the trading venue which aim to protect the market integrity, the orderly functioning of the market or the significant interests of the other market participants; and
2. A trading venue considers that an infringement is of sufficient severity or impact to justify consideration of disciplinary action.

Disorderly trading conditions

3. The price discovery process is interfered with over a significant period of time;
4. The capacities of the trading systems are reached or exceeded;
5. Market makers/liquidity providers repeatedly claim mis-trades; or
6. Breakdown or failure of critical mechanisms under Article 48 of Directive 2014/65/EU and its implementing measures which are designed to protect the trading venue against the risks of algorithmic trading.

System disruptions

7. Any major malfunction or breakdown of the system for market access that results in participants losing their ability to enter, adjust or cancel their orders;
8. Any major malfunction or breakdown of the system for the matching of transactions, that results in participants losing certainty over the status of completed transactions or live orders as well as unavailability of information indispensable for trading (e.g., index value dissemination for trading certain derivatives on that index);
9. Any major malfunction or breakdown of the systems for the dissemination of pre- and post-trade transparency and other relevant data published by trading venues in accordance with their obligations under Directive 2014/65/EU and Regulation (EU) No 600/2014;
10. Any major malfunction or breakdown of the systems of the trading venue to monitor and control the trading activities of the market participants; and any major malfunction or breakdown in the sphere of other interrelated services providers, in particular CCPs and CSDs, that has repercussions on the trading system.

SECTION B

Signals that may indicate abusive behaviour under Regulation (EU) No 596/2014

Signals of possible insider dealing or market manipulation

1. Unusual concentration of transactions and/or orders to trade in a particular financial instrument with one member/participant or between certain members/participants.
2. Unusual repetition of a transaction among a small number of members/participants over a certain period of time.

Signals of possible insider dealing

3. Unusual and significant trading or submission of orders to trade in the financial instruments of a company by certain members/participants before the announcement of important corporate events or of price sensitive information relating to the company; orders to trade/transactions resulting in sudden and unusual changes in the volume of orders/transactions and/or prices before public announcements regarding the financial instrument in question.
4. Whether orders to trade are given or transactions are undertaken by a market member/participant before or immediately after that member/participant or persons publicly known as linked to that member/participant produce or disseminate research or investment recommendations that are made publicly available.

Signals of possible market manipulation

The signals described below in points 18 to 23 are particularly relevant in an automated trading environment.

5. Orders to trade given or transactions undertaken which represent a significant proportion of the daily volume of transactions in the relevant financial instrument on the trading venue concerned, in particular when these activities lead to a significant change in the price of the financial instruments.
6. Orders to trade given or transactions undertaken by a member/participant with a significant buying or selling interest in a financial instrument which lead to significant changes in the price of the financial instrument on a trading venue.
7. Orders to trade given or transactions undertaken which are concentrated within a short time span in the trading session and lead to a price change which is subsequently re-verses.
8. Orders to trade given which change the representation of the best bid or offer prices in a financial instrument admitted to trading or traded on a trading venue, or more generally the representation of the order book available to market participants, and are removed before they are executed.
9. Transactions or orders to trade by a market/participant with no other apparent justification than to increase/decrease the price or value of, or to have a significant impact on the supply of or demand for a financial instrument, namely near the reference point during the trading day, e.g. at the opening or near the close.

10. Buying or selling of a financial instrument at the reference time of the trading session (e.g. opening, closing, settlement) in an effort to increase, to decrease or to maintain the reference price (e.g. opening price, closing price, settlement price) at a specific level – (usually known as marking the close).
11. Transactions or orders to trade which have the effect of, or are likely to have the effect of increasing/decreasing the weighted average price of the day or of a period during the session.
12. Transactions or orders to trade which have the effect of, or are likely to have the effect of, setting a market price when the liquidity of the financial instrument or the depth of the order book is not sufficient to fix a price within the session.
13. Execution of a transaction, changing the bid-offer prices when this spread is a factor in the de-termination of the price of another transaction whether or not on the same trading venue.
14. Entering orders representing significant volumes in the central order book of the trading system a few minutes before the price determination phase of the auction and cancelling these orders a few seconds before the order book is frozen for computing the auction price so that the theoretical opening price might look higher or lower than it otherwise would do.
15. Engaging in a transaction or series of transactions which are shown on a public display facility to give the impression of activity or price movement in a financial instrument (usually known as painting the tape).
16. Transactions carried out as a result of the entering of buy and sell orders to trade at or nearly at the same time, with the very similar quantity and similar price by the same or different but colluding market members/participants (usually known as improper matched orders).
17. Transactions or orders to trade which have the effect of, or are likely to have the effect of bypassing the trading safeguards of the market (e.g. as regards volume limits; price limits; bid/offer spread parameters; etc...).
18. Entering of orders to trade or a series of orders to trade, executing transactions or series of transactions likely to start or exacerbate a trend and to encourage other participants to accelerate or extend the trend in order to create an opportunity to close out/open a position at a favourable price (usually know as momentum ignition).
19. Submitting multiple or large orders to trade often away from the touch on one side of the order book in order to execute a trade on the other side of the order book. Once that trade has taken place, the manipulative orders will be removed (usually known as layering and spoofing).
20. Entry of small orders to trade in order to ascertain the level of hidden orders and particularly used to assess what is resting on a dark platform (usually know as ping order).
21. Entry of large numbers of orders to trade and/or cancellations and/or updates to orders to trade so as to create uncertainty for other participants, slowing down their process and to camouflage their own strategy (usually known as quote stuffing).

22. Posting of orders to trade, to attract other market members/participants employing traditional trading techniques ('slow traders'), that are then rapidly revised onto less generous terms, hoping to execute profitably against the incoming flow of 'slow traders' orders to trade (usually known as smoking).
23. Executing orders to trade or a series of orders to trade, in order to uncover orders of other participants, and then entering an order to trade to take advantage of the information obtained (usually known as phishing).
24. The extent to which, to the best knowledge of the operator of a trading venue, orders to trade given or transactions undertaken show evidence of position reversals in a short period and represent a significant proportion of the daily volume of transactions in the relevant financial instrument on the trading venue concerned, and might be associated with significant changes in the price of a financial instrument admitted to trading or traded on the trading venue.

Signals for cross-product market manipulation, including across different trading venues

The signals described below should be particularly considered by the operator of a trading venue where both a financial instrument and related financial instruments are admitted to trading or traded or where the above mentioned instruments are traded on several trading venues operated by the same operator.

25. Transactions or orders to trade which have the effect of, or are likely to have the effect of increasing/decreasing/maintaining the price of a financial instrument during the days preceding the issue, optional redemption or expiry of a related derivative or convertible;
26. Transactions or orders to trade which have the effect of, or are likely to have the effect of maintaining the price of the underlying financial instrument below or above the strike price, or other element used to determine the pay-out (e.g. barrier), of a related derivative at expiration date;
27. Transactions which have the effect of, or are likely to have the effect of modifying the price of the underlying financial instrument so that it surpasses/not reaches the strike price, or other element used to determine the pay-out (e.g. barrier), of a related derivative at expiration date;
28. Transactions which have the effect of, or are likely to have the effect of modifying the settlement price of a financial instrument when this price is used as a reference/determinant, namely, in the calculation of margins requirements;
29. Orders to trade given or transactions undertaken by a member/participant with a significant buying or selling interest in a financial instrument which lead to significant changes in the price of the related derivative or underlying asset admitted to trading on a trading venue;
30. Undertaking trading or entering orders to trade in one trading venue or outside a trading venue (including entering indications of interest) with a view to improperly influencing the price of a related financial instrument in another or in the same trading venue or outside a trading venue (usually known as cross-product manipulation (trading on financial instrument to improperly position the price of a related financial instrument in another or in the same trading venue or outside a trading venue)).

31. Creating or enhancing arbitrage possibilities between a financial instrument and another related financial instrument by influencing reference prices of one of the financial instruments can be carried out with different financial instruments (like rights/shares, cash markets/derivatives markets, warrants/shares, ...). In the context of rights issues, it could be achieved by influencing the (theoretical) opening or (theoretical) closing price of the rights.

ANNEX IV

Section 1

Record keeping of client orders and decision to deal

1. Name and designation of the client
2. Name and designation of any relevant person acting on behalf of the client
3. A designation to identify the trader (Trader ID) responsible within the investment firm for the investment decision
4. A designation to identify the algorithm (Algo ID) responsible within the investment firm for the investment decision;
5. B/S indicator;
6. Instrument identification
7. Unit price and price notation;
8. Price
9. Price multiplier
10. Currency 1
11. Currency 2
12. Initial quantity and quantity notation;
13. Validity period
14. Type of the order;
15. Any other details, conditions and particular instructions from the client;
16. The date and exact time of the receipt of the order or the date and exact time of when the decision to deal was made. The exact time must be measured according to the methodology prescribed under the standards on clock synchronisation under Article 50(2) of Directive 2014/65/EU.

Section 2

Record keeping of transactions and order processing

1. name and designation of the client;
2. name and designation of any relevant person acting on behalf of the client;
3. a designation to identify the trader (Trader ID) responsible within the investment firm for the investment decision;
4. a designation to identify the Algo (Algo ID) responsible within the investment firm for the investment decision
5. Transaction reference number
6. a designation to identify the order (Order ID)
7. the identification code of the order assigned by the trading venue upon receipt of the order;
8. a unique identification for each group of aggregated clients' orders (which will be subsequently placed as one block order on a given trading venue). This identification should indicate "aggregated_X" with X representing the number of clients whose orders have been aggregated.
9. the segment MIC code of the trading venue to which the order has been submitted.
10. the name and other designation of the person to whom the order was transmitted
11. designation to identify the Seller & the Buyer
12. the trading capacity
13. a designation to identify the Trader (Trader ID) responsible for the execution
14. a designation to identify the Algo (Algo ID) responsible for the execution
15. B/S indicator;
16. instrument identification
17. ultimate underlying
18. Put/Call identifier
19. Strike price
20. Up-front payment
21. Delivery type
22. Option style
23. Maturity date
24. unit price and price notation;
25. price

26. price multiplier
27. Currency 1
28. Currency 2
29. remaining quantity
30. modified quantity
31. executed quantity
32. the date and exact time of submission of the order or decision to deal. The exact time must be measured according to the methodology prescribed under the standards on clock synchronisation under Article 50(2) of Directive 2014/65/EU
33. the date and exact time of any message that is transmitted to and received from the trading venue in relation to any events affecting an order. The exact time must be measured according to the methodology prescribed under the Commission Delegated Regulation (EU) .../...of XXX supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to regulatory technical standards for the level of accuracy of business clocks. [To be completed by the publications office]
34. the date and exact time any message that is transmitted to and received from another investment firm in relation to any events affecting an order. The exact time must be measured according to the methodology prescribed under the standards on clock synchronisation under Article 50(2) of Directive 2014/65/EU
35. Any message that is transmitted to and received from the trading venue in relation to orders placed by the investment firm;
36. Any other details and conditions that was submitted to and received from another investment firm in relation with the order;
37. Each placed order's sequences in order to reflect the chronology of every event affecting it, including but not limited to modifications, cancellations and execution;
38. Short selling flag
39. SSR exemption flag;
40. Waiver flag