KDPW

ARM – Approved Reporting Mechanism

Scope of the service

The Approved Reporting Mechanism (ARM) service supports the reporting of details of transactions concluded in traded financial instruments to the competent supervisory authority in accordance with the requirements of Article 26(1) MiFIR. The reports cover transactions concluded in traded instruments or in instruments where the underlying instrument is traded (TOTV - traded on a trading venue). The trade venue is irrelevant: trades can be made on the market or over the counter.

European passport

KDPW acts as an intermediary for the transmission of trade details under the authorisation for the ARM service. The direct supervision of the ARM service operated by KDPW is exercised by ESMA.

Reports are submitted by the ARM to the supervisory authority with jurisdiction over the registered office of the investment firm or credit institution obliged to report. At this time, KDPW has the operational capacity to transmit reports to the following supervisory authorities:

- Commission de Surveillance du Secteur Financier (Luxembourg)
- Komisja Nadzoru Finansowego (Poland)
- Malta Financial Services Authority (Malta)
- Portuguese Securities Market Commission (Portugal)
- Cyprus Securities and Exchange Commission (Cyprus)
- Czech National Bank (Czech Republic)
- Federal Financial Supervisory Authority (Germany)
- Narodna Banka Slovenska (Slovakia)
- Financial Market Authority (Austria)
- Financial and Capital Market Commission (Latvia)
- Hellenic Capital Market Commission (Greece)

Tailored to clients' needs

KDPW offers a reporting service tailored to clients' needs and supports the transmission of complete required data or use by KDPW of transaction data from markets operated by the Warsaw Stock Exchange or BondSpot (in the case of reports for transactions concluded on these markets). This simplified trade reporting model allows participants to significantly reduce the volume of data transmitted in the process of performing their obligations under MiFIR.

KDPW's ARM system checks trade reports in accordance with the regulator's validation table, ensuring that the reports are correct before they are submitted to the regulator.

Guarantee and security

KDPW provides clients with an automated and secure communication interface and a proven model of cooperation with regulators and participants. This ensures correct and uninterrupted fulfilment of reporting obligations. As an ARM, KDPW in general assumes legal responsibility for incomplete or untimely reporting to the supervisory authority on behalf of the obliged entity. Copies of all reports submitted to the competent supervisory authority are forwarded to the reporting participants or the investment firm on whose behalf the report is submitted.

System availability

The ARM system is available 24/7. Messages can be sent to ARM 24/7. Messages are subject to validation according to the established validation rules. Status messages and notifications are transmitted via the channel indicated by the participant in the application for participation as the relevant distribution channel for outgoing messages from the ARM. The message distribution channel may be changed by the participant by providing KDPW with the declaration of change of the electronic communication system.

Binding deadlines

The deadlines for the actions set out in the ARM Rules, in particular the deadlines within which messages should be sent by participants:

- in the case of reports referred to in § 10.2, KDPW transmits the report to a supervisory authority other than the PFSA on a given business day provided that messages with trade details necessary to generate reports reach KDPW by 5 p.m. on a given business day,
- in the case of reports referred to in § 9.5, KDPW generates an ARM report on the basis of transaction details received from the Warsaw Stock Exchange or BondSpot, respectively, and messages received from an ARM participant supplementing such data, transmitted to KDPW no later than 2:00 p.m. on day T+1 in relation to the date on which the transaction was concluded in the trading venue.

Interfaces

The ARM service is available in two channels: manual (U2A) and automated (A2A), supporting application-to-application communication.

- The graphical user interface, where users log in at https://online.kdpw.pl/, supports the following:
    - o transmission of reports via interactive forms,
    - o uploading previously prepared XML messages.
- MQ - A2A channel available to entities holding ARM participant status:
    - o that are also participants in the depository system on the basis of production certificates issued after the signing of the SWI agreement, supporting communication with the ARM environment within ESDK,
    - o that are ARM participants only or are also KDPW Trade Repository participants. Communication is based on production A2A online certificates downloaded using the form https://wwwo.kdpw.pl/pl/Strony/CertA2A.aspx. Users holding a certificate can communicate with the ARM system after a connection has been set up. The parameterisation manual describing the connection set-up and the configuration of MQ queues is available on the KDPW website.

Test environments

ARM participants can access two test environments.

Access is possible to the educational environment, which mirrors the production environment, as well as the customisation environment, featuring new or modified functionalities in relation to current production solutions.

The test environments can also be accessed by parties interested in the ARM service after signing an agreement on the use of the test environment.

Broad scope of validation

The ARM service deploys mechanisms which ensure the completeness and correctness of transmitted reports, including the detection of obvious errors and omissions. These mechanisms include a set of formal and content checks performed by the ARM.

- Formal checks consist in verifying the authority of the entity to submit reports to the ARM and in examining the conformity of all submitted XML files with the XSD schema of messages handled in the ARM system. All messages used in the ARM system are subject to this check.
- Content checks consist in ensuring the correctness of the submitted data.

Further details are available in the document Content and formal checks of messages in the ARM system.