



FSMA_2023_19 of 4/09/2023

Guidelines on standardised procedures and messaging protocols under Article 6(2) of Regulation (EU) No 909/2014 – Implementation by the FSMA

Scope:

The Guidelines referred to in this document apply to:

- stockbroking firms governed by Belgian law, authorized in that capacity by the National Bank of Belgium;
- portfolio management and investment advice companies, authorized in that capacity by the FSMA.

Details about the scope of these Guidelines are also provided in point 5.1 of the Guidelines.

Summary/Objectives:

This document addresses the Guidelines issued by the European Securities and Markets Authority (hereafter ESMA) on standardised procedures and messaging protocols under Article 6(2) of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and the implementation of those Guidelines by the FSMA in respect of investment firms governed by Belgian law.

Dear Sir or Madam,

Pursuant to Article 16 of the Regulation establishing the European Securities and Markets Authority¹, ESMA may issue guidelines addressed to competent authorities with a view to establishing consistent supervisory practices that promote the efficient and effective supervisory application of European Union law.

¹ Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC.

In accordance with paragraph 3 of Article 16 of the aforementioned Regulation, “The competent authorities and financial market participants shall make every effort to comply with those guidelines.... Within 2 months of the issuance of a guideline, ... each competent authority shall confirm whether it complies or intends to comply with that guideline.... In the event that a competent authority does not comply or does not intend to comply, it shall inform [ESMA], stating its reasons.”

It is in light of this provision that ESMA has issued guidelines on standardised procedures and messaging protocols under Article 6(2) of Regulation (EU) No 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU (hereafter the “CSDR Regulation”).

The requirement provided for under Article 6(2) of the CSDR Regulation and defined in greater detail in Article 2 of Delegated Regulation (EU) 2018/1229² concerns the organization of the settlement process. In accordance with that requirement, investment firms must ensure that they have all the necessary information regarding settlements, wherever possible on the business day on which the transaction took place.

To this end, investment firms that do not yet have the necessary settlement information must communicate with their clients in order to obtain the relevant information, which must contain standardized data useful for the settlement process.

More specifically, Article 6(2) of the CSDR Regulation provides that investment firms must, where applicable, take measures to limit the number of settlement fails.

In accordance with that Article, ESMA has drawn up regulatory technical standards intended to set out, among other things, the details of the arrangements to be made between investment firms and their professional clients for allocation and confirmation, as well as the procedures intended to facilitate settlement; the said details and procedures are listed in Article 2 of Commission Delegated Regulation (EU) 2018/1229.

To complete these standards, Article 6(2) of Regulation (EU) No 909/2014 also provides that ESMA issue guidelines on standardised procedures and messaging protocols to be used in order to comply with the requirement in question.

The objective of the Guidelines is thus to define the scope of the requirement under Article 6(2) of the CSDR Regulation and to provide information on the standardised procedures and messaging protocols to be used in order to comply with that requirement.

² Commission Delegated Regulation (EU) 2018/1229 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on settlement discipline.

The FSMA will incorporate the Guidelines into its supervisory framework and take them into consideration when it supervises compliance with Article 6(2) of CSDR Regulation by stockbroking firms and portfolio management and investment advice companies governed by Belgian law.

Yours sincerely,

Jean-Paul SERVAIS
Chairman

Annex: [- FSMA_2023_19-01 / Guidelines on standardised procedures and messaging protocols under Article 6\(2\) of Regulation \(EU\) No 909/2014](#)