

Reply form

for the Call for Evidence on a Comprehensive Approach for the Simplification of Financial Transaction Reporting

Responding to this paper

ESMA invites comments on all matters in this call for evidence and in particular on the specific questions. Comments are most helpful if they:

- respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all comments received by **19th September 2025**.

Instructions

In order to facilitate analysis of responses to the Call for Evidence, respondents are requested to follow the below steps when preparing and submitting their response:

1. Insert your responses to the questions in the Call for Evidence in the present response form.
2. Use this form and send your responses in Word format (**pdf documents will not be considered except for annexes**):
3. Please do not remove tags of the type <ESMA_QUESTION CASR 1>. Your response to each question has to be framed by the two tags corresponding to the question.
4. If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
5. When you have drafted your response, name your response form according to the following convention: ESMA_CASR_nameofrespondent_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA_CASR_ABCD_RESPONSEFORM.
6. Upload the form containing your responses, in Word format, to ESMA’s website (www.esma.europa.eu under the heading “Your input – Open Consultations” -> Call for evidence on a comprehensive approach for the simplification of financial transaction reporting).

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading [Legal Notice](#).

Who should read this paper

This paper is primarily addressed to all financial market participants and in particular reporting entities and market infrastructures, as well as to trade associations and other stakeholders involved in financial regulation, investor education, and retail investment market developments. It seeks input on major cost drivers linked to derivative regulatory reporting and the identification of possibilities on integration, streamlining and simplification.

The paper is also relevant to competent authorities, with competences in the context of MiFIR, EMIR, SFTR regulation.

General information about respondent

Name of the company / organisation	MAP Financial Technologies (Europe) Ltd
Activity	Other Financial service providers
Are you representing an association?	<input type="checkbox"/>
Country/Region	Cyprus

Questions

Q1 Do stakeholders agree with the description of the key challenges outlined above? Is there any other issue linked to multiple regulatory regimes with duplicative or inconsistent requirements that is not reflected in this section? Out of the 10 sources of costs identified in this section and the ones that you may add, what are the three main cost drivers in your view?

<ESMA_QUESTION_CASR_1>

We would like to thank ESMA for taking the initiative of addressing chronic issues with EU reporting rules. We consider that this is a great opportunity to address some of the inefficiencies/duplications in reporting (for any regime).

In our own view the three main cost drivers mentioned by ESMA in this section are the following (in descending impact order):

- Different Reporting Channels across MiFIR/EMIR/SFTR.
- Duplicative reporting of the same derivative instruments under EMIR, and MiFIR.
Where we say MiFIR we also consider relevant to the discussion at hand other reporting obligations that emanate from RTSs issued pursuant to MiFIR such as e.g. APA publications
- Duplication of IT systems and processes.

Moreover, we'd like to add another dimension that, of disproportionality. The current ruleset (be that EMIR, MiFIR and SFTR) applies to all investment firms, financial counterparties (whatever the definition of the "counterparty" may be under each ruleset) without any proportionality principle baked in. E.g. in SFTR and EMIR, reporting requirements are more relaxed for Small NFCs (SFTR) or NFC- (EMIR) but there is nothing in the aforesaid for small FCs. A similar principle can be applied for Financial Counterparties or FCs (within the meaning of SFTR/EMIR) and Investment Firms (within the meaning of MiFID/MiFIR). E.g. in Australia under their implementation of the CDE's derivative transaction reporting there is a carve out for small buy-side firms, e.g. Investment Firms that only offer reception and transmission, or small funds (either UCITS or AIFs), that may engage in derivative transactions on an infrequent basis and do not exceed certain thresholds as set out in [ASIC's derivative transaction reporting rules](#) of 2024. In Europe reporting obligations apply equally to all Investment Firms/FCs without taking into account size and complexity of operations. Please also consider that the initial set up cost to report via ARM, TR, APA etc. may be very high for such small firms.

Similarly, the CFTC's approach under Part43 and Part45 of the Commodity Exchange Act establishes a clear hierarchy of reporting responsibility based on entity type and registration status, with proven improvements in matching rates and data quality.

To further advance the point of disproportionality, we'd like to refer ESMA to a [Discussion Paper issued by the FCA regarding RTS 22](#) and specifically to paragraph 4.97, copied and pasted below:

We have had feedback about the high relative cost of reporting for firms that execute occasional transactions. We are sometimes asked if we accept manual submissions, via email. We do not, and nor do we intend to, as our surveillance systems rely on the systematic collection of data.

From our own experience as a RegTech company we've come across many similar situations where even small FCs simply lack the capacity due to size and limited operations to comply with the various reporting requirements across the board requesting from us assistance in transposing the economic aspects of a given contract to the requisite report. Such firms include small investment advisors who may occasionally, transmit an order for execution (Reception and Transmission) and small funds (either UCITS or AIFs) that may occasionally enter into a derivative contract or SFT.

As such, we're in favour if ESMA could consider carve out for small buy-side firms, e.g. by amending level 1 and level 2 EMIR/SFTR/MiFIR texts affording small firms the aforesaid exemptions such as e.g. extending the scope of paragraph 1.a. of Art.9 of EMIR to include small buy-side firms, similarly extending the scope of paragraph 3 of Art.4 of SFTR and amending Art. 4 of RTS 22.

Regarding what constitutes a small firm that will benefit from the carve-outs, it should be a combination of size (e.g. trading volumes in SFTs, Derivatives and the instruments of art.26 of MiFIR as well as the size of the organisation i.e. balance sheet/AUM/etc.), complexity of operations (e.g. the nature and number authorisations for investment/ ancillary activities and financial instruments included in the authorisation within the meaning ANNEX I Sections A, B and C of Directive 2014/65/EU – MiFID) etc.

We believe that ESMA along with the EU Commission should explore this space further.
<ESMA_QUESTION_CASR_1>

Q2 Do stakeholders agree with the proposed principles and related description? Is there any other aspect/principle that should be considered?

<ESMA_QUESTION_CASR_2>

While we agree with ESMA's view that any attempt to remove duplications or collapse all reporting obligations into a single report (report-once), should adhere with points 1-4 of para 27 of the Call for Evidence, we have a few points to raise with ESMA regarding points 1 and 3.

- Preserve Information Scope.

Throughout our decade long experience with reporting obligations across the EU (as most of our clientele is based outside our country of establishment), we've noticed that many NCAs when reviewing of any reports, those reviews are limited to superficial findings such as e.g. late reports, missing values, number of rejections, no reports submitted etc., i.e. NCAs limit themselves to the ESMA's Data Quality Indicators DQIs

for EMIR/SFTR, similarly for MiFIR. There does not appear to be in-depth examination of the data or incorporation of said data into e.g. NCA's reviewing counterparty risk for EMIR, market abuse examination for MiFIR, systemic risk for SFTR etc. This is also evident from ESMA's own peer reviews e.g. [here](#) for EMIR, further demonstrating that this is indeed the case, is the nature of the fines/admin sanctions that NCAs have placed on reporting firms (again for late reporting, no reporting, etc.). It would appear that NCAs are overwhelmed by the number of data sets they have to examine and as such limit themselves to the minimum when they carry out their reviews of the data. Therefore, ESMA needs to carefully recalibrate the scope of the dataset for each reporting regime, regardless of the outcome of this Call for Evidence, in order to weed out superfluous data elements allowing NCAs to thoroughly examine the data. From our experience with data reporting across various jurisdictions (Canada, Australia, Singapore) we've seen good practices deployed by the Authorities that we believe could be incorporated in the EU dataset.

- Ensure global alignment.

While we applaud ESMA for attempting to align the EU reporting with global standards, we note that that this might not be feasible at a global level and as ESMA might want to choose alignment with major financial centres.

We were hoping that for derivatives reporting, some form of global alignment would naturally occur when major financial jurisdictions adopted the CDE, however this has not been case. E.g.

- a) Australia and Singapore have set as their reporting deadlines for derivatives reporting T+2, the EU has adopted different reporting styles for different instruments (e.g. case and point [FX Swaps](#)).
- b) the US and Canada the UPI for commodities is not required but it is expected to be required at a later date (following consultations).
- c) Canada and the USA have descoped ISO 20022 XML reporting for derivatives reporting etc.

As such, we believe that ESMA should limit the alignment initiative to specific financial centres which are important for the EU financial services sector. Such centres may be the USA and the UK.

<ESMA_QUESTION_CASR_2>

Q3 What are the key advantages of option 1a and how do these benefits address the issues in section 3?

<ESMA_QUESTION_CASR_3>

Whatever the outcome of this Call of Evidence we are in favour of limiting the scope of EMIR to OTC derivatives only. This change will align EU derivatives reporting with other major jurisdictions (excluding the UK that currently follows EU practice and includes ETDs under the umbrella of UK EMIR). Moreover, this solution necessitates changes to Level 1 and 2 text (both EMIR and MiFID II/MiFIR) as well as amending ESMA's guidance and/or Q&As to reflect the change.

Additionally, we do not understand why ESMA insists on post trade events for ETDs (e.g. valuations, collateral). Where ETDs we mean those derivatives which are executed on a Regulated Market (within the definitions given in EMIR and MiFIDII) or equivalent markets (where the EU Commission has made such an equivalency decision). The overall intent of the G20 Pittsburgh declaration was to put in place rules for OTC derivatives which were the main conduit for the Great Financial Crisis of 2008-09 (from that declaration the EU conceived EMIR). Moreover, we note that in all other jurisdictions ETDs are outside the scope of derivatives reporting (G20 Pittsburgh declaration of 2009) but Competent Authorities have put in place other measures to monitor compliance.

On the issue of whether to report at a position level or transaction only level. We are against abolishing the position option for OTC derivatives. We note that this option will violate ESMA's stated principle of Ensuring Global Alignment (please see our response for Question 2). We also note that in the USA (but also in Australia, Canada and other jurisdictions) reporting at position level is required under similar considerations as those espoused by EU for OTC derivatives (e.g. fungible trades, managing risk at position/exposures level etc.). As we're in favour of harmonising derivatives reporting such a radical departure from the standard applicable in other major jurisdictions will create silos of information that won't be easy to exchange with other Authorities.

Other than reporting we don't see option 1a as the maximum impact option. Although 1a. is a clear and less ambiguous option than 1b (see also our response to question 7 of this Call for Evidence).

<ESMA_QUESTION_CASR_3>

Q4 What are the key limitations and potential risks of option 1a? For example, do you consider the adaptation of the emir template to cover the data points used for market abuse surveillance as meeting the general objective of reducing the reporting burden, and why?

<ESMA_QUESTION_CASR_4>

Regarding Option 1a., we note that should EMIR be limited exclusively to OTC derivatives, there will still be a considerable number of firms that will be reporting the same derivative transaction under both EMIR and MiFIR. E.g. firms trading equity total return swaps, CFDs on equities/indices, etc. will still be reporting the said instruments under both EMIR and MiFIR. Such a solution does not substantially reduce the overall burden on firms, at least not at the levels espoused by the EU commission as mentioned by ESMA in its background summary of the Call for Evidence.

<ESMA_QUESTION_CASR_4>

Q5 What components are missing or not adequately addressed in option 1a? Why are these elements important, and how might their inclusion change the evaluation or implementation of option 1a?

<ESMA_QUESTION_CASR_5>

Regarding the removal of the dual sided reporting obligation for EMIR we are very much in favour of this scenario. We'd like to refer you once again to other jurisdictions. In Australia 2 reporting entities may reach an agreement (in writing) between themselves so that one reporting entity will be responsible to report. In this case one report is submitted (not 2) by the entity responsible for reporting, in such a case and where a query from Australia's NCA manifests the non-reporting entity is exempted from reporting by virtue of the agreement exemption.

Moreover, we'd like to refer you to our response to question 1 of this consultation regarding the possible exemption of small buy-side firms that ESMA could incorporate in its revisions. We believe that the exemption/agreement to exempt could be rendered into the reports themselves in a variety of ways, including but not limited to e.g. in MiFIR/SFTR adding an extra data element with the appropriate flag, or in EMIR adding extra option(s) under field/value under elements, Nature of Counterparty 2, (currently FC, NFC, CCP, Other) to signify exempted entities (e.g. a code for small buy side firms). See also our responses to Questions 1 and 22 of this Call for Evidence regarding the interrogation method of the reports by NCAs.

<ESMA_QUESTION_CASR_5>

Q6 What are the key advantages of option 1b and how do these benefits address the issues in section 3?

<ESMA_QUESTION_CASR_6>

We understand that under option 1b. any and all new transactions/ modifications /terminations/etc. will be reported under MiFIR (expanding the scope of MiFIR) while all other events (valuations, collateral updates, etc.) will continue to be reported under EMIR/SFTR respectively. While we understand ESMA's intent here, we believe that this option is inherently problematic as it will lead to several misinterpretations of the ruleset. See also our response to question 7 below.

<ESMA_QUESTION_CASR_6>

Q7 What are the key limitations and potential risks of option 1b?

<ESMA_QUESTION_CASR_7>

Option 1b is inherently problematic as it creates unnecessary ambiguity with respect to reporting. The rule of thumb that ESMA suggest is to report under EMIR those post trade events that would otherwise not be subject to MiFIR reporting, however under RTS 22 and especially Article 5 there is an entire host of such events that are not subject to MiFIR reporting but are captured by EMIR. Consider the following examples:

- From RTS 22 Art 5 paragraph e:
Where 2 counterparties enter into a derivative contract and a step-in/step-out event CPP occurs (one counterparty is replaced by another), such as clearing the contract with a CCP, the following reporting will be mandated under option 1b.
Entering into a derivative contract will be reported under MiFIR. When the 2 parties novate, the step out event (i.e. the termination of the contract and the subsequent TERM message to the TR) will be reported under EMIR (?) and the step-in event (i.e. the

establishment of the same contract with another counterparty) and the subsequent report will be reported under MiFIR (?).

- From RTS 22 Art5 paragraph f

A counterparty purchases a physically settled American option on Index Futures. The counterparty exercises the option.

Purchasing the option will be reported under MiFIR if option 1b applies. However, if the exemption of paragraph f continues to apply, then the exercise and the acquisition of the Futures will be reported under EMIR (?).

Additionally, we'd like to add that in case where ESMA implements option 1b. then the scope of MiFIR needs to be expanded as the scope currently applies only to Investment Firms, whereas both EMIR and SFTR apply to other entities as well (refer to EMIR and SFTR scope and definitions).

While we consider this option workable, if ESMA proceeds with the implementation of this option a substantial re-write of all level one rules, delegated and implementing acts will be required. As with option 1a we consider 1b as the option with less impact and while, we believe that its ability to alleviate the reporting burden is superior to that of 1.a. we believe that there will be many kinks that will need to be ironed out.

<ESMA_QUESTION_CASR_7>

Q8 What components are missing or not adequately addressed in option 1b? Why are these elements important, and how might their inclusion change the evaluation or implementation of option 1b?

<ESMA_QUESTION_CASR_8>

Refer to our response to Question 5.

<ESMA_QUESTION_CASR_8>

Q9 What are the key advantages of option 2a and how do these benefits address the issues in section 3?

<ESMA_QUESTION_CASR_9>

We are in favour of the reporting once principle (i.e. one report meets reporting requirements under EMIR/SFTR/MiFIR(Art26)/MiFIR(APA). We believe in creating a harmonised reporting template for all reporting regimes would be the most comprehensive path forward, i.e. all reporting obligations (whether MiFIR or EMIR or SFTR) would be met by a single report, via a harmonised reporting template. As such we're in favour of option 2a. on the basis that such a template might benefit all reporting parties and at the same time minimise the burden on NCAs who have to retrieve and interrogate different reporting sets for different reasons. The harmonised template could be an amalgamation of all elements contained in the respective regimes (EMIR, MiFIR SFTR) after adjusting the reporting regimes and removing duplications in data elements.

We'd like to point out to ESMA that we've seen such harmonised templates deployed in several jurisdictions and in some cases, we've seen trade repositories operating in Europe (UK and EU)

as well as third countries such as the US/Canada etc. providing their clients with a single template report applicable to all jurisdictions where reporting entities would declare in the report to which regime the report applies to (e.g. marking the report as CFTC would direct the TR to submit to the US TR, ESMA to the EU and so on).

Moreover, we've seen other jurisdictions where reported data have dual use, e.g. in Canada, derivatives data on certain asset classes (some predefined interest rate indices, equities and so on) need to be made public, similar to the EU's post/pre trade transparency (PTT) reporting requirements under Art. 6, 10, 20 and 21 of MiFIR. I.e. in those jurisdictions reported data for e.g. derivatives can be used to comply with the said jurisdictions PTT requirements. E.g. See Ontario (Canada) [Rule 91-507](#) as amended to harmonise with the CDE and especially part 4 – Data available to public. Similarly in the US the [CFTC](#) under [Part 43](#) of the rules applicable to it mandates the real time publication of data (that emanate from [Part 45](#) for derivatives reporting). We believe that ESMA could consider implementing a similar scenario for reporting requirements under reporting requirements under Art. 6, 10, 20 and 21 of MiFIR with some modifications to the level 1 text.

The inclusion of the aforesaid articles in Option 2a. should still adhere to the Report Once principle, e.g. where a firm's trade triggers a reporting obligation under Art.26 of MiFIR and the same trade is also captured under Art.6,10,20 and/or 21 of MiFIR, the reporting firm will meet all requirements simultaneously by submitting one report which covers everything. We appreciate that our suggestion entails rethinking and rewriting several Level 1 Level 2 texts and it may be substantially more time consuming to implement than ESMA's original suggestions but we believe that this is something that ESMA and the Commission ought to consider.

Finally, we do not agree with ESMA regarding the abolishment of the position level reporting (for EMIR and SFTR) see also our response to Question 10.

<ESMA_QUESTION_CASR_9>

Q10 What are the key limitations and potential risks of option 2a?

<ESMA_QUESTION_CASR_10>

We understand that Option 2a requires major overhaul of current rules to accommodate especially in respect to ARMs and TRs (EMIR and SFTR) as well data reporting elements espoused under the various RTS/ITS issued pursuant under EMIR/MiFIR and SFTR. However, we believe that this option could also be the most beneficial for firms that have a reporting obligation.

We believe that in applying a Report Once principle, multiple duplications across regimes can be eliminated, under the following conditions:

- Double reporting obligations e.g. a derivative which is currently in scope under EMIR and MiFIR are eliminated.
- Harmonisation of data reporting elements across regimes (where overlaps exist),
- The application of exemptions for single sided reporting and small firms as explained in our response to question 1.

- Post trade events (e.g. PTTR, valuations, collateral updates, etc.) reporting will be limited to OTC derivatives only (ETDs will be excluded nonetheless and data on (risk management will be collected by NCAs from CCPs).

With respect to abolishing the position level reporting, we note that this may be untenable from a practical standpoint, and additionally, it seems to violate ESMA's own Key Principles under section 4.1. of the Call for Evidence.

We note that position level reporting for derivative instruments is espoused across multiple reporting regimes that have harmonised their reporting regime with the CDE. From our experience with Australia's, Canada's, Singapore's, USA's derivative reporting regimes, following the CDE update we've seen that all these jurisdictions have incorporated position level reporting for certain derivative categories (OTC derivatives never ETDs), as such we believe that ESMA should preserve position level reporting for OTC derivative assets only to harmonise with other G20 jurisdictions reporting.

Moreover, from a practical standpoint (and always in reference to OTC derivatives), firms perform certain functions such as valuations exclusively at position level where that option is available for them, this is adequately reflected in their EMIR reporting. Moreover, where counterparties to an OTC derivative decide to proceed with clearing the contracts between them, if the fungibility principle applies, CCPs will dispense their functions by netting all fungible OTC contracts into a position which is again reflected in the aforesaid EMIR reports.

As such we believe that position level reporting should be maintained regardless.

<ESMA_QUESTION_CASR_10>

Q11 What components are missing or not adequately addressed in option 2a? Why are these elements important, and how might their inclusion change the evaluation or implementation of option 2a?

<ESMA_QUESTION_CASR_11>

As we have already mentioned under MiFIR there are various other reporting requirements such as those espoused under Articles 6, 10, 20 and 21 and the associated RTSs/ITSs that were issued pursuant to those articles. From looking at the associated reporting requirements that emanate from those articles there is significant overlap between the data in those reports and RTS 22 (for MiFIR reporting). We understand that those reports have a completely different raison d'être than RTS 22 (or indeed EMIR and SFTR) but we believe that option 2a. can accommodate those as well, ESMA should consider whether bundling all MiFIR reporting requirements in a single reporting harmonised template is workable.

As previously indicated, we have seen TRs with multinational footprint establish harmonised reporting templates for derivatives (for the avoidance of doubt, this harmonised reporting templates existed at a time before the various jurisdictions adopted CDE's work), by including in the said harmonised template the jurisdiction to which the reporting relates to. This could be implemented under option 2a. whereby adding an additional data element to the harmonised report (E.g. an additional data field "Regime" which will indicate the to what ruleset the report

pertains to) counterparties may indicate directly to what regime their report relates to (e.g. Art. 6,10,20,21, EMIR or multiple regimes at once if so applicable). Therefore, if a firm is obligated to submit a report under Art.6 of MiFIR and another report under Art.26 they could do so once in the harmonised template.

Further building to the above we've seen TRs making public data from derivatives trades. E.g. See Ontario (Canada) [Rule 91-507](#) as amended to harmonise with the CDE and especially part 4 – Data available to public). Regarding the deadlines for PTT announcements pursuant to Art.6,10,20 and 21 of MiFIR these could remain as is, but the firms can (if they have the data), to submit by the PTT deadline a single report that covers both PTT and Art.26. Given that PTTs do not require all data elements under Art.26 (or there may be some elements unique to PTTs) the publications can be made by mapping the PTT publications to specific PTT data elements in the report. See also our response to question 9 second paragraph re CFTC.

<ESMA_QUESTION_CASR_11>

Q12 What are the key advantages of option 2b and how do these benefits address the issues in section 3? What regimes should be included in such an option beyond EMIR, MiFIR and SFTR?

<ESMA_QUESTION_CASR_12>

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<ESMA_QUESTION_CASR_12>

Q13 What are the key limitations and potential risks of option 2b?

<ESMA_QUESTION_CASR_13>

While we do appreciate that some reporting regimes, outside of ESMA's supervisory mandate (e.g. REMIT), may have similar elements with those reporting regimes within ESMA's mandate (e.g. overlaps between EMIR/REMIT) we consider that option 2b should be considered as more of a phase 2 approach. Attempting to incorporate disparate regimes into a reporting once principle where that principle was designed around financial instruments (some REMIT transactions would be forever outside the scope of a financial instrument) would be detrimental for a sizeable portion of firms in the EU. Explaining, REMIT reporting is fairly limited across the EU unlike EMIR/MiFIR/SFTR that apply across multiple entities including but not limited to, banks, investment firms, fund managers (AIFMs, and UCITS ManCos), insurance companies etc. We see no reason why ESMA should delay alleviating this vast universe of reporting entities only to seek to incorporate a small group of additional participants.

As we have said we believe that this could be phase 2 of the project. I.e. option 2.a. is implemented first and then at a later date implement 2.b. if necessary.

<ESMA_QUESTION_CASR_13>

Q14 What components are missing or not adequately addressed in option 2b? Why are these elements important, and how might their inclusion change the evaluation or implementation of option 2b?

<ESMA_QUESTION_CASR_14>

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<ESMA_QUESTION_CASR_14>

Q15 Which of the two main options (1. “removal of duplication in current frameworks” or 2. “report once”) and related sub-options identified do you believe should be prioritised, and why?

<ESMA_QUESTION_CASR_15>

We believe that option 2.a. should be prioritised for the reasons stated in our responses in Questions 9 through to 11 (inclusive) of this Call for Evidence.

Irrespective of which option is selected, (either 1a, 1b, or 2a, 2b) we believe that:

- Position level reporting must be preserved regardless.
- Dual sided reporting should be abolished.
- Additional exemptions for small firms should be considered (see also our response to question 1).
- ETDs (with the meaning of EMIR) should be exempted from post trade events reporting, such as valuations and collateral updates.

If option 2 is selected (either 2a or 2b), we believe that ESMA could also consider incorporating other data reporting requirements espoused under MiFIR to the Report Once solution such as APA (see responses to questions 9,10 and 11).

<ESMA_QUESTION_CASR_15>

Q16 Are there any additional options that should be considered on top of option 1 and 2? For example, do you identify other potential intermediate solutions, combinations of elements from the identified options, or phased approaches? If so, what are their main characteristics, the reasons for considering them, and the key advantages they would bring?

<ESMA_QUESTION_CASR_16>

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<ESMA_QUESTION_CASR_16>

Q17 Should the reporting channels, and flows be modified to ensure consistent reporting, and if so, how? Under which option/s do you consider these changes should be implemented?

<ESMA_QUESTION_CASR_17>

Currently as per ESMA’s databases there are approximately 20 or so ARMs, 10 APAs (as we have said we don’t see why APA reporting should be excluded from the exercise), 5 TRs under EMIR and SFTR.

If ESMA settles on implementing Option 1 of this Call for Evidence, we don’t believe that a shift in the reporting channels is mandated. Option 1 does not appear to mandate any changes

to the reporting channels whatsoever (although minor tweaks will be necessary). However, if the reporting once principle applies (i.e. Option 2) then we do foresee that eventually all these organisations (some of which offer only e.g. APA or ARM reporting but not EMIR or MiFIR) will have to consolidate under market pressure. We consider that this consolidation will achieve economies of scale resulting in greater savings for firms that have to contract different entities for the disparate reporting sets and incurring additional fees.

<ESMA_QUESTION_CASR_17>

Q18 In this regard, and based on the current order book requirements for trading venues and the availability of information, what are the advantages and disadvantages of transferring the reporting of on-venue transactions under MiFIR and EMIR to trading venues?

<ESMA_QUESTION_CASR_18>

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<ESMA_QUESTION_CASR_18>

Q19 Additionally, what are your views on enhancing ESMA role as data hub by developing a framework where entities would report consistent and harmonised data directly to ESMA? Should this option consider direct reporting to ESMA coupled with EU and national authorities' access to the centrally held data, eliminating multiple submissions?

<ESMA_QUESTION_CASR_19>

ESMA could consider assuming the role of a reporting hub, however we don't consider that it is necessary that reporting entities should report directly to ESMA, as we are inclined to believe that current practice (i.e. firms report to private entities such as ARMs, TRs, APAs etc.) is more than optimum.

Moreover, ESMA needs to consider that if it were to become the single reporting point of the EU, it will have to devote significant capital to upgrade reporting systems and IT infrastructure. We note from our experience with reporting directly to NCAs (especially for MiFIR) we often encounter problems with the NCA's IT infrastructure where we need to consider software workarounds. This is not due to weaknesses in the NCA's IT infrastructure but there are times when the Reporting traffic to NCAs increases (e.g. when there is frenetic investor activity due to events) eating up too much bandwidth resulting in reports remaining undelivered.

Additionally, we're aware that many NCAs in the EU, have additional reporting requirements that do not emanate from EU Regulations/Directives but rather from NCA's needs for data to dispense their supervisory roles for various functions (e.g. monitoring compliance with safekeeping of client assets, branch activities etc.). Those additional reporting requirements may have some or substantial overlap with the datasets reported under e.g. MiFIR/EMIR and or SFTR. Firms (especially Investment Firms within the meaning of MiFIDII) often find themselves doubly reporting the same dataset twice or even thrice (NCA, EMIR, MiFIR).

ESMA could consider coordinating with the NCAs in order to become an EU data repository where NCAs with software tools co-developed with ESMA to meet NCA needs to source data without firms having to report the same dataset through different channels (e.g. in EMIR via TRs and then same data in Forms created by the NCA).

<ESMA_QUESTION_CASR_19>

Q20 In the case of centralisation of reporting, please expand on the advantages and disadvantages as well as the implementation challenges and opportunities? Under this scenario, what additional elements should be considered (i.e. Operational aspects, technical implementation, etc.)

<ESMA_QUESTION_CASR_20>

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<ESMA_QUESTION_CASR_20>

Q21 Do you consider that other technologies (e.g. DLT and Smart Contracts) should be considered as a way to simplify the reporting process?

<ESMA_QUESTION_CASR_21>

In order to deploy a DLT, ESMA needs to consider whether existing Distributed Ledgers are capable of handling the data that MiFIR/EMIR/SFTR/APA require as well as whether the cost of upkeep such a ledger (depending on its technical characteristics it may require multiple nodes consuming vast amounts of processing power). We do not believe that such a DLT exists and may need to be created from scratch. This means considerable investment and cost, but it also means additional time from development, to testing to full deployment. Moreover, prior experiences with DLTs in the financial world have not yielded great results (see e.g. [ASX's failure](#) to implement a DLT for clearing and settlement, that was scrapped), as such these technologies must be carefully scrutinised before any attempt is made to deploy such a technology especially on this scale.

Similarly for smart contracts, such technologies are still unproven despite major efforts (and lots of investment).

<ESMA_QUESTION_CASR_21>

Q22 Where do you think the cost associated with dual sided reporting is generated? What would be the cost impact of removing dual-sided reporting (e.g. Substituting reconciliation requirements with other measures such as audits against internal record systems as required in the U.S. or increase interaction among counterparties and NCAs)? Do you consider that dual sided reporting may reduce the ability of reporting entities to fully control the data submitted to authorities? Do you consider that the reporting should be strictly from one side?

<ESMA_QUESTION_CASR_22>

We'd like to refer you to the solution we've presented in question 1. I.e. the parties to the derivative contract (if both have a reporting obligation) enter into an agreement between themselves on who will be the reporting party. The reporting party submits a single report and has full liability re: completeness, accuracy and correctness, while the non-reporting party is completely indemnified.

Additionally, the crux of EMIR is not reporting, in effect, EMIR is an exercise in managing counterparty risk (valuations, collateral exchanges, clearing, Risk Mitigation for uncleared OTC derivatives, CCPs authorisation/recognition, active accounts, margin quality requirements etc.), EMIR reporting is meant as a confirmation to the NCA interrogating the reports that counterparties adhered by those measures and for the NCA's to monitor the buildup of risk.

As we have mentioned in question 1, this interrogation thus is not frequent (or it has never happened throughout EMIR's existence), with the NCA's focusing on secondary attributes (late reports, non-reconciled etc.). We believe that dual sided reporting and the required reconciliation under EU rules diverts NCA resources away from truly interrogating the reports in order to meet EMIR's intent which is to manage counterparty risk.

This is evident with the recent episode with Archegos Capital ([EU based institutions were also involved](#)) where there was excessive build-up of counterparty risk and was not identified until institutions realised substantial losses.

Therefore, even if dual sided reporting remains as part of the ruleset, it is our belief that EU NCAs should move away from checking secondary attributes (e.g. whether a report reconciles) and focus on examining risk build up in the derivatives' space which is EMIR's true intent. The state of play for SFTR is similar with that of EMIR, i.e. NCAs focus on secondary reporting attributes rather than interrogating the data to examine/identify build-up risk.

<ESMA_QUESTION_CASR_22>

Q23 Would you consider the modification of reporting frequency useful under the general objective of reducing the reporting burden, and why? What would be the specific proposals in this regard?

<ESMA_QUESTION_CASR_23>

Taking into account ESMA's key principles as set out in the Call for Evidence, coupled with applicable non-European (outside EU + UK) reporting regimes we're familiar and the established practice with EU NCAs on their treatment/processing of the data we believe that at least for SFTR/EMIR and MiFIR ESMA could consider increasing deadline times for reporting to T+2 (mirroring Australia and Singapore) instead of the current T+1 deadline (we note that the said deadline applies in the US and Canada for OTC derivatives reporting).

Increasing the reporting deadline to T+2 gives reporting entities more time and flexibility to source data required for said reports if they are not immediately available upon execution (especially where execution occurs OTC, or on exchanges outside major financial centres with more relaxed regimes), oftentimes elements necessary for reporting e.g. price, execution venue are not immediately available and firms resort in reporting dummy/default values only to then

proceed with correcting the reports at a later stage (if such corrections are possible under the applicable reporting Rules).

With respect to PTT/APA publications, which we maintain can be included in the report once option (option 2) the deadlines can remain as is.

<ESMA_QUESTION_CASR_23>

Q24 Proportionality measures: how do you consider proportionality can be taken into account in the context of burden reduction in regulatory reporting? What specific measures would you propose and how would you quantify their impact?

<ESMA_QUESTION_CASR_24>

Refer to our answer to Question 1.

<ESMA_QUESTION_CASR_24>

Q25 Question for reporting entities under EMIR: what is the one-off cost of implementing EMIR requirements to date? This cost should include all cost lines, such as familiarisation with obligations, staff recruitment, training, legal advice, consultancy fees, project management and investment/updating in it. Do you identify any other relevant one-off cost line?

<ESMA_QUESTION_CASR_25>

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<ESMA_QUESTION_CASR_25>

Q26 Question for reporting entities under EMIR: what is your estimated average cost per transaction (on-going cost) to comply with the reporting requirements under EMIR? This cost should include not only the fees associated with reporting through trade repositories (which usually includes data collection and information storage) but also the total cost, including any other cost lines, such as, IT maintenance and support, training, data processing and audit fees. Do you identify any other relevant ongoing cost line?

<ESMA_QUESTION_CASR_26>

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<ESMA_QUESTION_CASR_26>

Q27 Question for reporting entities under MiFIR: what is the one-off cost of implementing mifir requirements to date? This cost should include all cost lines, such as familiarisation with obligations, staff recruitment, training, legal advice, consultancy fees, project management and investment/updating in it. Do you identify any other relevant one-off cost line?

<ESMA_QUESTION_CASR_27>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_CASR_27>

Q28 Question for reporting entities under MiFIR: what is your estimated average cost per transaction (on-going cost) to comply with the reporting requirements under MiFIR? This cost should include not only the fees associated with reporting through Approved Reported Mechanisms but also the total cost, including any other cost lines, such as, IT maintenance and support, training, data processing and audit fees. Do you identify any other relevant ongoing cost line?

<ESMA_QUESTION_CASR_28>

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<ESMA_QUESTION_CASR_28>

Q29 Question for reporting entities under EMIR or MiFIR: Are there other cost-factors that we should consider when estimating the cost saving over a long term horizon?

<ESMA_QUESTION_CASR_29>

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<ESMA_QUESTION_CASR_29>

Q30 What are the anticipated investments and transition costs associated with implementing option 1a, 1b, 2a and 2b (e.g. Decommissioning of legacy systems, adapting systems to new changes and future evolving requirements, etc.)? Please provide a detailed breakdown of these costs, including any one-off and ongoing expenses. What is the estimated average cost saving per transaction?

<ESMA_QUESTION_CASR_30>

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<ESMA_QUESTION_CASR_30>