EMIR

The Reporting obligation

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EMIR

Improve transparency on derivatives market
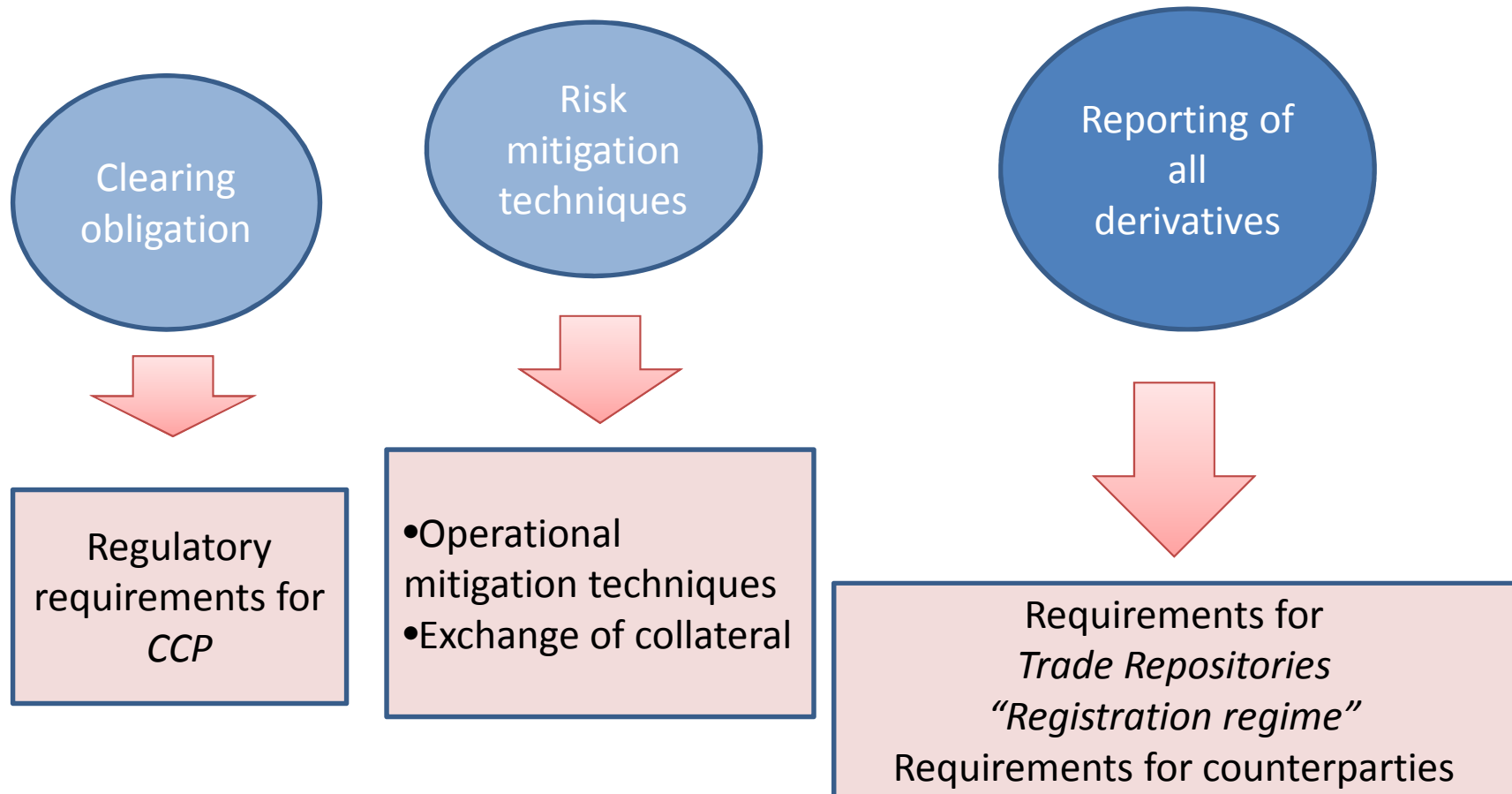
Mitigate systemic risk

Eu regulation n. 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories.

Technical standards adopted by the Euopean Commission

Questions and Answers on EMIR published by -European Commission - ESMA

Multi-level regulation
Level 1
Level 2 specifications:
• commission delegated regulation
• commission implementing regulation

Main EMIR obligations

Clearing obligation

↓

Regulatory requirements for *CCP*

Risk mitigation techniques

↓

- Operational mitigation techniques
- Exchange of collateral

Reporting of all derivatives

↓

Requirements for *Trade Repositories* *"Registration regime"* Requirements for counterparties

Reporting obligation

Art. 9 para 1 EMIR Regulation

- **Counterparties and CCP** *shall ensure that the* **details** *of* **any derivative contract** *(OTC or exchange traded) they have concluded and of any modification or termination of the contract are reported to a recognized trade repository (TR) under the European Markets Infrastructure Regulation (EMIR) reporting requirements.*

Reporting obligation – Main questions

- *Which parties are required to report to TRs?*

- *Which derivatives need to be reported?*

- *What is the timetable for reporting to TRs?*

- *How to fulfil the reporting obligation?*

- *Choosing a trade repository*

- *What are the details to be reported?*

- *Legal Entity Identifiers*

Which parties are required to report?

FC

NFC-

CCP

NFC+
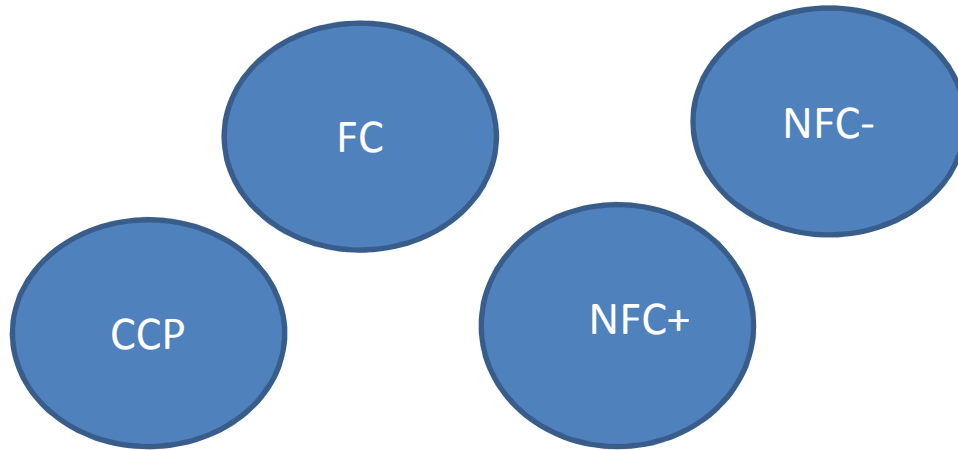
EU Commission
FAQ II.14
notion of *undertaking*

- EU derivatives market counterparties (FCs, NFC+s and NFC-s) are subject to reporting obligation. In their report they have to identify themselves and their counterparties.

- Non EU counterparties are not subject to reporting obligation under EMIR but they have to be identified by the EU counterparties.

- No minimum threshold for reporting. FC and NFC+ report MTM valuation.

Which derivatives are subject to the reporting obligation?

- Reporting obligation apply to all derivatives
  (OTC and ETD)

Definition of derivative
=
Annex 1, section C points (4) to (10) Directive 2004/39/CE (MiFID)

- Reporting obligation apply to derivatives:

  (i) entered into from the date of the reporting obligation coming into effect (12 February 2014)

  (ii) entered into on or after 16 august 2012

  (iii) were entered into prior to 16 august 2012 and outstanding on that day

What is the timetable for reporting to TRs ?

The requirement to report came into force on 12 February 2014

Derivatives contracts	Status on 16 th of August 2012	Status on the 12 th of february 2014	To be reported by
Derivatives entered on or after 12 february 2014			T+1
Derivatives entered before 16 august 2012	*outstanding*	*outstanding*	90 days
	outstanding	Not outstanding	~~3 years~~ 5 years
Derivatives entered on or after 16 August 2012		outstanding	*90 days?*
		Not outstanding	~~3 years~~ 5 years

How to fulfil the reporting obligation?

- **DUAL SIDE REPORTING**

Both counterparties MUST report each trade unless, by prior arrangement, one party can report on behalf of both counterparties. Where one report is made on behalf of both counterparties, the report shall indicate this fact.
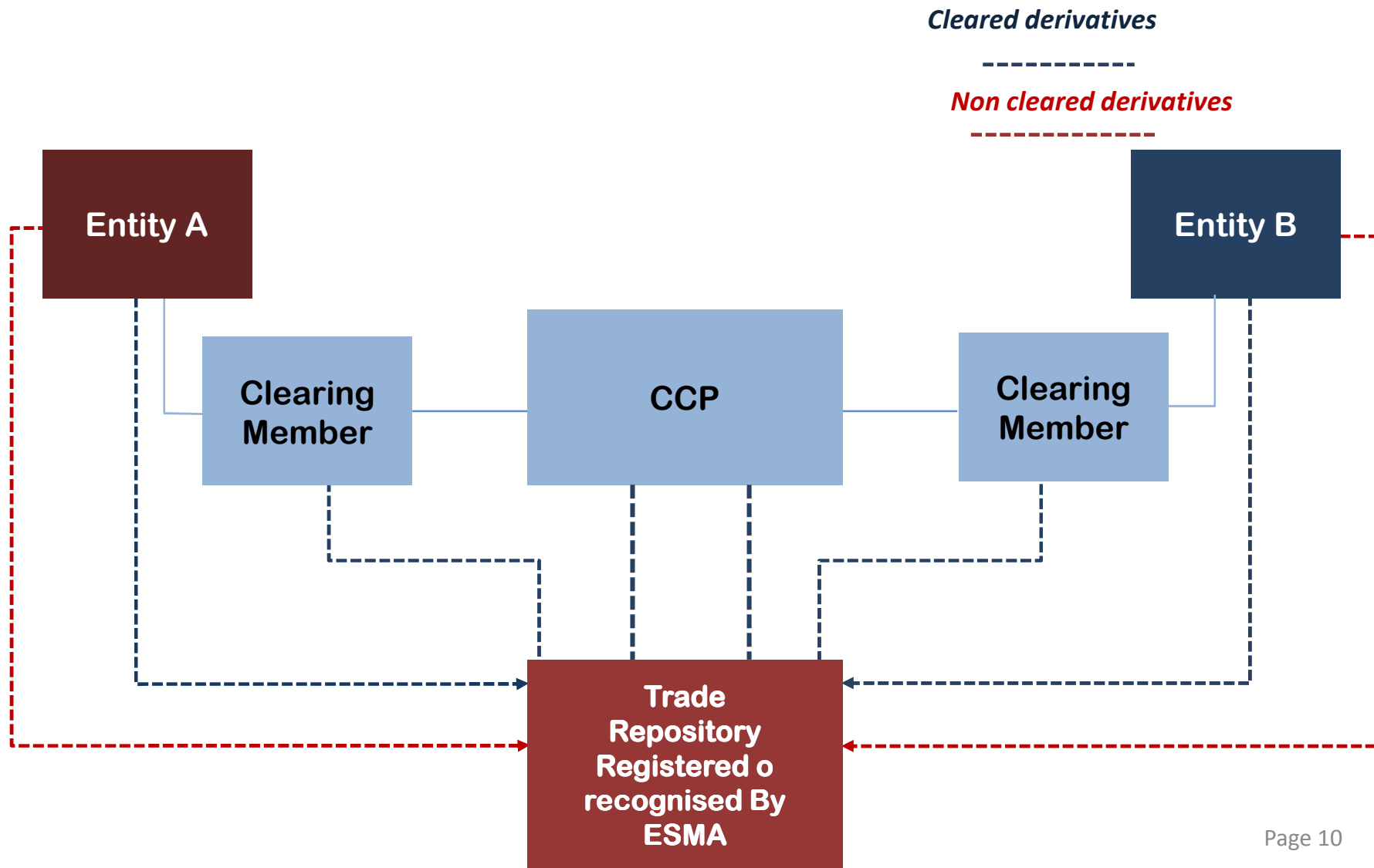
- **DIRECT OR DELEGATED REPORTING**

Either counterparty to the trade may delegate reporting to a third-party (such as a central counterparty or trading platform)

Where one counterparty reports on behalf of another counterparty, or a third-party reports a contract on behalf of one or both counterparties, the details reported shall include the full set of details that would have been reported had the contracts been reported by each counterparty separately.

- **RESPONSIBILITY REMAINS ON THE REPORTING COUNTERPARTY**

Reporting obligation

Cleared derivatives

Non cleared derivatives

Entity A

Entity B

Clearing Member

CCP

Clearing Member

Trade Repository Registered o recognised By ESMA

Choosing a trade repository

DTCC Derivatives Repository Ltd. (DDRL), United Kingdom

Regis-TR S.A., Luxembourg

All Asset class are covered

UnaVista Ltd, United Kingdom

Krajowy Depozyt Papierów Wartosciowych S.A. (KDPW), Poland

CME European Trade Repository (CME ETR), United Kingdom

ICE Trade Vault Europe Ltd

TRADE REPOSITORIES

- Under EMIR, ESMA has direct responsibilities regarding the **registration, supervision and recognition** of Trade Repositories.

- ESMA Supervision of Trade Repositories aims at ensuring that they comply on an ongoing basis with all EMIR requirements, enabling regulators to **access data** and details of derivative contracts in order for them to fulfil their respective mandates.

- ESMA has the right to require information, to conduct general investigations and on-site inspections, and if needed, to take enforcement measures.

Sanctions

TRADE REPOSITORIES REQ. (Art. 78-81 of EMIR)

➢ **robust governance arrangements**, (<u>adequate internal control mechanisms</u>, sound <u>administrative and accounting procedures</u>

➢ organisational and **administrative arrangements** (to identify and manage any potential conflicts of interest and to ensure continuity)

➢ adequate **policies and procedures** sufficient to ensure compliance with the regulation

➢ any **ancillary services** provided is operationally separated from the trade reporting

➢ management and board members shall be of sufficiently **good repute and experience**

➢ non-discriminatory and publicly disclosed **requirements for access** by counterparties

➢ **public disclosure of the prices** and fees associated with services provided

➢ prices and fees charged by a trade repository shall be **cost-related**

TRADE REPOSITORIES REQ. (Art. 78-81 of EMIR)

- **Operation reliability** (identify sources of operational risk and minimize them)

- **Safeguarding** (ensure confidentiality, integrity and protection of the information received)

- **Recording** (maintain data for at least 10 years following the termination of the relevant contract)

- **Calculate** the position by class of derivatives and by reporting entity

- **Publish** aggregate positions by class of derivatives

What are the details to be reported?

D.R. 148/2013 specifies the minimum details of the data to be reported

Counterparty data
- Reporting counterparty I.D.,
- other counterparty ID,
- Reporting entity ID,
- beneficiary ID
- Trading capacity
- Mark to market value of contract
- Collateralisation details

Common data
- *Contract type*
- *Details on transaction*
- *Risk mitigation*
- *Clearing*

Focus on Identification

I.R. **1247/2012** - - implementing technical standards on *format and frequency* of trade reports to trade repositories

15

D.R. 148/2013 specifies the minimum details of the data to be reported

Table 1

Counterparty Data

	Field	Details to be reported
	Parties to the contract	
1	Reporting timestamp	Date and time of reporting to the trade repository.
2	Counterparty ID	Unique code identifying the reporting counterparty. In case of an individual, a client code shall be used.
3	ID of the other counterparty	Unique code identifying the other counterparty of the contract. This field shall be filled from the perspective of the reporting counterparty. In case of an individual, a client code shall be used.
4	Name of the counterparty	Corporate name of the reporting counterparty. This field can be left blank in case the counterparty ID already contains this information.
5	Domicile of the counterparty	Information on the registered office, consisting of full address, city and country of the reporting counterparty. This field can be left blank in case the counterparty ID already contains this information.
6	Corporate sector of the counterparty	Nature of the reporting counterparty's company activities (bank, insurance company, etc.). This field can be left blank in case the counterparty ID already contains this information.
7	Financial or non-financial nature of the counterparty	Indicate if the reporting counterparty is a financial or non-financial counterparty in accordance with points 8 and 9 of Article 2 of Regulation (EU) No 648/2012.
8	Broker ID	In case a broker acts as intermediary for the reporting counterparty without becoming a counterparty, the reporting counterparty shall identify this broker by a unique code. In case of an individual, a client code shall be used.
9	Reporting entity ID	In case the reporting counterparty has delegated the submission of the report to a third party or to the other counterparty, this entity has to be identified in this field by a unique code. Otherwise this field shall be left blank. In case of an individual, a client code shall be used, as assigned by the legal entity used by the individual counterparty to execute the trade.
10	Clearing member ID	In case the reporting counterparty is not a clearing member, its clearing member shall be identified in this field by a unique code. In case of an individual, a client code, as assigned by the CCP, shall be used.
11	Beneficiary ID	The party subject to the rights and obligations arising from the contract. Where the transaction is executed via a structure, such as a trust or fund, representing a number of beneficiaries, the beneficiary should be identified as that structure. If the beneficiary of the contract is not a counterparty to this contract, the reporting counterparty has to identify this beneficiary by a unique code or, in case of individuals, by a client code as assigned by the legal entity used by the individual.
12	Trading capacity	Identifies whether the reporting counterparty has concluded the contract as principal on own account (on own behalf or behalf of a client) or as agent for the account of and on behalf of a client.
13	Counterparty side	Identifies whether the contract was a buy or a sell. In the case of an interest rate derivative contract, the buy side will represent the payer of leg 1 and the sell side will be the payer of leg 2.
14	Contract with non-EEA counterparty	Indicates whether the other counterparty is domiciled outside the EEA.
15	Directly linked to commercial activity or treasury financing	Information on whether the contract is objectively measurable as directly linked to the reporting counterparty's commercial or treasury financing activity, as referred to in Article 10(3) of Regulation (EU) No 648/2012. This field shall be left blank in case the reporting counterparty is a financial counterparty, as referred to in point 8 of Article 2 Regulation (EU) No 648/2012.
16	Clearing threshold	Information on whether the reporting counterparty is above the clearing threshold as referred to in Article 10(2) of Regulation (EU) No 648/2012. This field shall be left blank in case the reporting counterparty is a financial counterparty, as referred to in point 8 of Article 2 Regulation (EU) No 648/2012.
17	Mark to market value of contract	Mark to market valuation of the contract, or mark to model valuation where applicable under Article 11(2) of Regulation (EU) No 648/2012.
18	Currency of mark to market value of the contract	The currency used for the mark to market valuation of the contract, or mark to model valuation where applicable under Article 11(2) of Regulation (EU) No 648/2012.
19	Valuation date	Date of the last mark to market or mark to model valuation.
20	Valuation time	Time of the last mark to market or mark to model valuation.
21	Valuation type	Indicate whether valuation was performed mark to market or mark to model.
22	Collateralisation	Whether collateralisation was performed.
23	Collateral portfolio	Whether the collateralisation was performed on a portfolio basis. Portfolio means the collateral calculated on the basis of net positions resulting from a set of contracts, rather than per trade.
24	Collateral portfolio code	If collateral is reported on a portfolio basis, the portfolio should be identified by a unique code determined by the reporting counterparty.
25	Value of the collateral	Value of the collateral posted by the reporting counterparty to the other counterparty. Where collateral is posted on a portfolio basis, this field should include the value of all collateral posted for the portfolio.
26	Currency of the collateral value	Specify the value of the collateral for field 25.

Table 2

Common Data

	Field	Details to be reported	Applicable types of derivative contract
	Section 2a — Contract type		**All contracts**
1	Taxonomy used	The contract shall be identified by using a product identifier.	
2	Product ID 1	The contract shall be identified by using a product identifier.	
3	Product ID 2	The contract shall be identified by using a product identifier.	
4	Underlying	The underlying shall be identified by using a unique identifier for this underlying. In case of baskets or indices, an indication for this basket or index shall be used where a unique identifier does not exist.	
5	Notional currency 1	The currency of the notional amount. In the case of an interest rate derivative contract, this will be the notional currency of leg 1.	
6	Notional currency 2	The currency of the notional amount. In the case of an interest rate derivative contract, this will be the notional currency of leg 2.	
7	Deliverable currency	The currency to be delivered.	
	Section 2b — Details on the transaction		**All contracts**
8	Trade ID	A Unique Trade ID agreed at the European level, which is provided by the reporting counterparty. If there is no unique trade ID in place, a unique code should be generated and agreed with the other counterparty.	
9	Transaction reference number	A unique identification number for the transaction provided by the reporting entity or a third party reporting on its behalf.	
10	Venue of execution	The venue of execution shall be identified by a unique code for this venue. In case of a contract concluded OTC, it has to be identified whether the respective instrument is admitted to trading but traded OTC or not admitted to trading and traded OTC.	
11	Compression	Identify whether the contract results from a compression exercise.	
12	Price/rate	The price per derivative excluding, where applicable, commission and accrued interest.	
13	Price notation	The manner in which the price is expressed.	
14	Notional amount	Original value of the contract.	

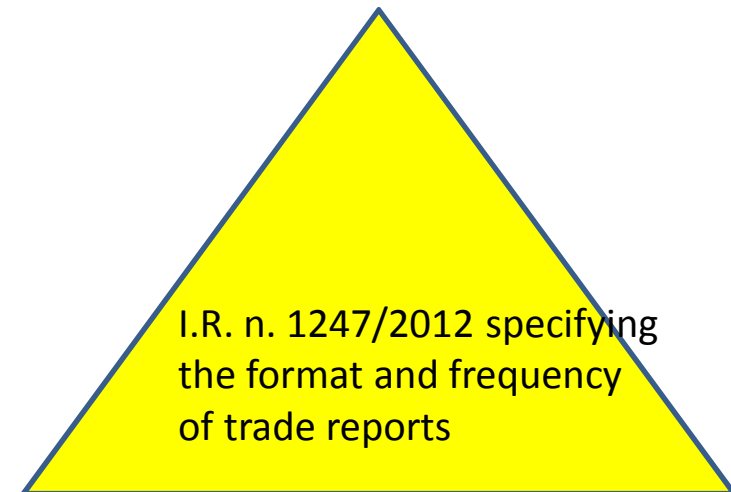|	Field	Details to be reported	Applicable types of derivative contract
15	Price multiplier	The number of units of the financial instrument which are contained in a trading lot; for example, the number of derivatives represented by one contract.	
16	Quantity	Number of contracts included in the report, where more than one derivative contract is reported.	
17	Up-front payment	Amount of any up-front payment the reporting counterparty made or received.	
18	Delivery type	Indicates whether the contract is settled physically or in cash.	
19	Execution timestamp	As defined in Article 1(2).	
20	Effective date	Date when obligations under the contract come into effect.	
21	Maturity date	Original date of expiry of the reported contract. An early termination shall not be reported in this field.	
22	Termination date	Termination date of the reported contract. If not different from maturity date, this field shall be left blank.	
23	Date of Settlement	Date of settlement of the underlying. If more than one, further fields may be used (e.g. 23A, 23B, 23C, etc.).	
24	Master Agreement type	Reference to the name of the relevant master agreement, if used for the reported contract (e.g. ISDA Master Agreement; Master Power Purchase and Sale Agreement; International ForEx Master Agreement; European Master Agreement or any local Master Agreements).	
25	Master Agreement version	Reference to the year of the master agreement version used for the reported trade, if applicable (e.g. 1992, 2002, etc.).	
	Section 2c — Risk mitigation/Reporting		**All contracts**
26	Confirmation timestamp	Date and time of the confirmation, as defined under Commission Delegated Regulation (EU) No 149/2013 (¹) indicating time zone in which the confirmation has taken place.	
27	Confirmation means	Whether the contract was electronically confirmed, non-electronically confirmed or remains unconfirmed.	
	Section 2d — Clearing		**All contracts**
28	Clearing obligation	Indicates, whether the reported contract is subject to the clearing obligation under Regulation (EU) No 648/2012.	

	Field	Details to be reported	Applicable types of derivative contract
29	Cleared	Indicates, whether clearing has taken place.	
30	Clearing timestamp	Time and date when clearing took place.	
31	CCP	In case of a contract that has been cleared, the unique code for the CCP that has cleared the contract.	
32	Intragroup	Indicates whether the contract was entered into as an intragroup transaction, defined in Article 3 of Regulation (EU) No 648/2012.	
	Section 2e Interest Rates	**If a UPI is reported and contains all the information below, this is not required to be reported.**	Interest rate derivatives
33	Fixed rate of leg 1	An indication of the fixed rate leg 1 used, if applicable.	
34	Fixed rate of leg 2	An indication of the fixed rate leg 2 used, if applicable.	
35	Fixed rate day count	The actual number of days in the relevant fixed rate payer calculation period, if applicable.	
36	Fixed leg payment frequency	Frequency of payments for the fixed rate leg, if applicable.	
37	Floating rate payment frequency	Frequency of payments for the floating rate leg, if applicable.	
38	Floating rate reset frequency	Frequency of floating rate leg resets, if applicable.	
39	Floating rate of leg 1	An indication of the interest rates used which are reset at predetermined intervals by reference to a market reference rate, if applicable.	
40	Floating rate of leg 2	An indication of the interest rates used which are reset at predetermined intervals by reference to a market reference rate, if applicable.	
	Section 2f — Foreign Exchange	**If a UPI is reported and contains all the information below, this is not required to be reported.**	Currency derivatives
41	Currency 2	The cross currency, if different from the currency of delivery.	
42	Exchange rate 1	The contractual rate of exchange of the currencies.	
43	Forward exchange rate	Forward exchange rate on value date.	
44	Exchange rate basis	Quote base for exchange rate.	

	Field	Details to be reported	Applicable types of derivative contract
	Section 2g — Commodities	**If a UPI is reported and contains all the information below, this is not required to be reported unless to be reported according to Regulation (EU) No 1227/2011 of the European Parliament and of the Council (¹).**	Commodity derivatives
	General		
45	Commodity base	Indicates the type of commodity underlying the contract.	
46	Commodity details	Details of the particular commodity beyond field 45.	
	Energy	Information to be reported according to Regulation (EU) No 1227/2011, if applicable.	
47	Delivery point or zone	Delivery point(s) of market area(s).	
48	Interconnection Point	Identification of the border(s) or border point(s) of a transportation contract.	
49	Load type	Repeatable section of fields 50-54 to identify the product delivery profile which correspond to the delivery periods of a day.	
50	Delivery start date and time	Start date and time of delivery.	
51	Delivery end date and time	End date and time of delivery.	
52	Contract capacity	Quantity per delivery time interval.	
53	Quantity Unit	Daily or hourly quantity in MWh or kWh/d which corresponds to the underlying commodity.	
54	Price/time interval quantities	If applicable, price per time interval quantities.	
	Section 2h — Options	**If a UPI is reported and contains all the information below, this is not required to be reported.**	Contracts that contain an option
55	Option type	Indicates whether the contract is a call or a put.	
56	Option style (exercise)	Indicates whether the option may be exercised only at a fixed date (European, and Asian style), a series of pre-specified dates (Bermudan) or at any time during the life of the contract (American style).	
57	Strike price (cap/floor rate)	The strike price of the option.	

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D.R. 148/2013 specifies the minimum details of the data to be reported

	Field	Details to be reported	Applicable types of derivative contract
	Section 2i — Modifications to the report		All contracts
58	Action type	Whether the report contains: — a derivative contract or post-trade event for the first time, in which case it will be identified as 'new'; — a modification of details of a previously reported derivative contract, in which case it will be identified as 'modify'; — a cancellation of a wrongly submitted report, in which case, it will be identified as 'error'; — a termination of an existing contract, in which case it will be identified as 'cancel'; — a compression of the reported contract, in which case it will be identified as 'compression'; — an update of a contract valuation, in which case it will be identified as 'valuation update'; — any other amendment to the report, in which case it will be identified as 'other'.	
59	Details of action type	Where field 58 is reported as 'other' the details of such amendment should be specified here.	

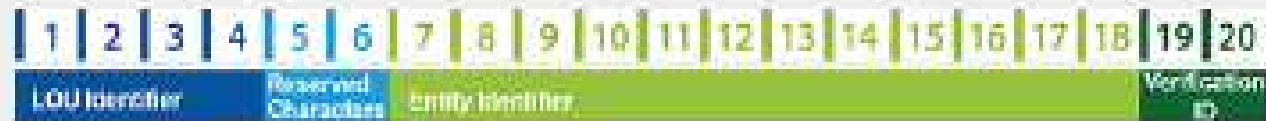I.R. n. 1247/2012 specifying the format and frequency of trade reports

LEI
a global Legal Entity Identifier

- **A strong political ownership**: a mission given by the G20 head of States. A unique identification of parties is a key component of improvement in financial markets functioning and monitoring.

- **A public private initiative**: not just an additional layer of regulation

- **High quality standard/local validation** and central data quality management

Issuance of Legal Entity Identifiers

Structure of the LEI Code

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20

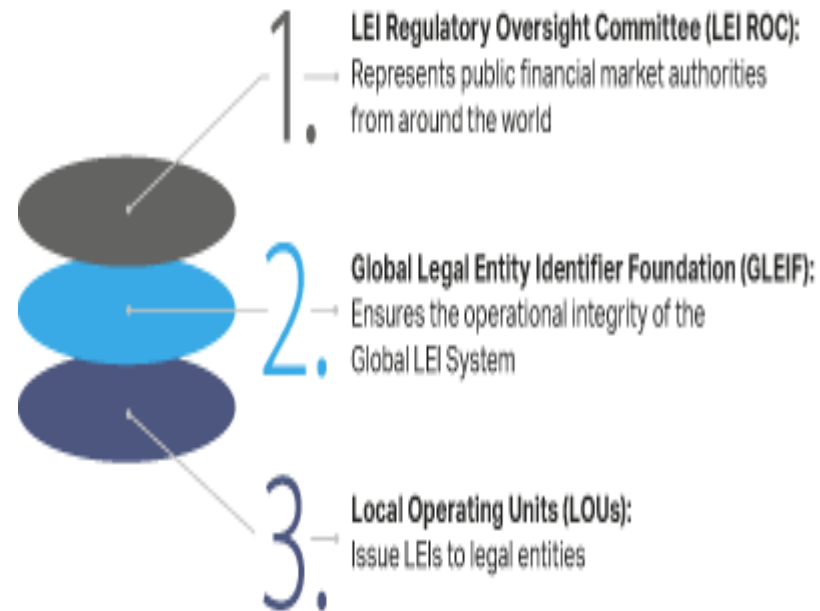LOU Identifier — Reserved Characters — Entity Identifier — Verification ID

- The LEI is a code to uniquely identify a Legal Entity on a worldwide basis

- Uniqueness and exclusivity

- Self registration and portability

- As of May 22, more than 510.000 LEIs have been issued by 30 Local Operating Units

LEI Reference Data:

- Legal name

- Legal address

- Business register ID

- Headquarter address

- Date of first LEI assignment

- Date of last update of the LEI

- Date of expiry

Governance

LEI Regulatory Oversight Committee (LEI ROC):
Represents public financial market authorities
from around the world

Global Legal Entity Identifier Foundation (GLEIF):
Ensures the operational integrity of the
Global LEI System

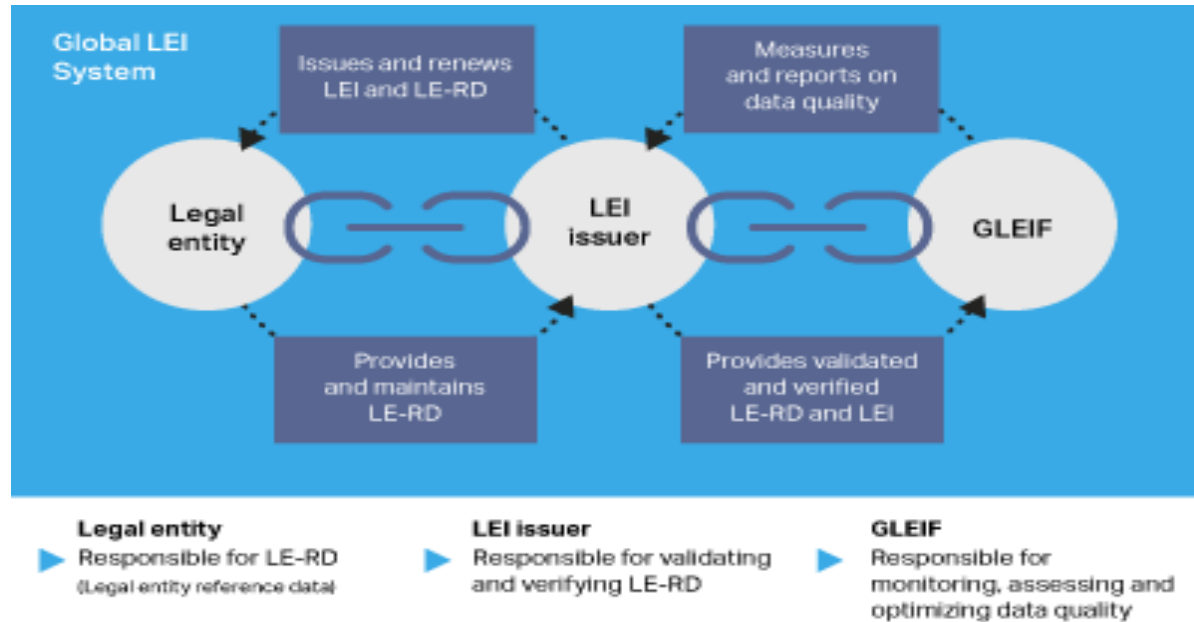Local Operating Units (LOUs):
Issue LEIs to legal entities

The Financial Stability Board (FSB) and the Group of Twenty (G20)
have endorsed the LEI, Global LEI System and GLEIF.

Self registration and Validation

RENEWAL

LEIs in the world

Total LEIs Issued as of 23/5/2017: **511.065**
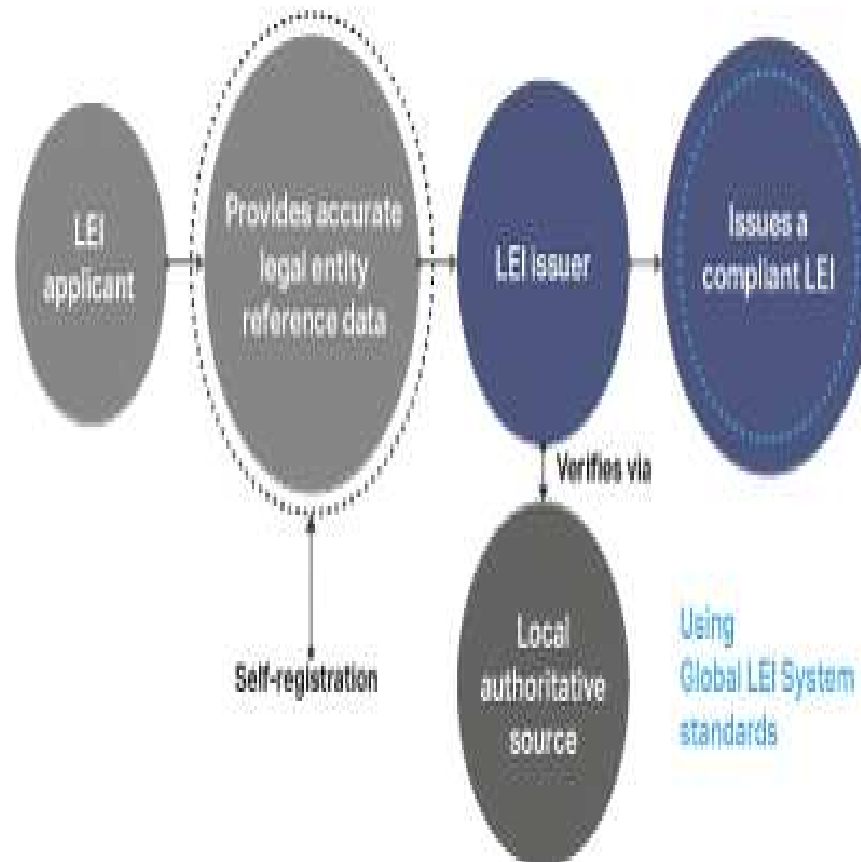
Unique Trade Identifier

- A report shall be identified through either a global unique trade identifier endorsed by ESMA or, in the absence thereof, a unique trade identifier agreed by the counterparties.

- Should counterparties fail to agree on the responsibility to generate a UTI, the UTI generation should follow ESMA Q&A TR Q&A 19 which establishes a hierarchy in the UTI generation

  (Esma hierarchy is included in the revised ITS on reporting)

- The counterparty generating the UTI shall communicate that UTI to the other counterparty in a timely manner so that the latter is able to meet its reporting obligation.

Hierarchy for the generation of UTI

- For centrally executed and cleared trades the code should be generated either:
  - by execution venue for its member or
  - at the point of clearing by the CCP for the clearing member. Subsequently, the UTI should be generated by the clearing member for its counterparty (e.g. MiFID investment firm).
- For centrally confirmed and cleared trades - at the point of clearing by the CCP for the clearing member.
- For centrally confirmed but not cleared trades – at the point of confirmation (by the confirmation platform).
- For other trades, the following hierarchy should be followed:
  - Financial counterparty generating the UTI for their non-financial counterparty;
  - Non-financial counterparty above the clearing threshold generating the UTI for their non-financial counterparty below the clearing threshold;
  - Within the same group of entities in case of disagreement the seller generates the UTI.

Barriers to full reporting

- FSB published a thematic peer review of OTC derivative trade reporting in November 2015, which identified a number of remaining legal barriers in FSB member jurisdictions to reporting complete transaction information to trade repositories and impediments to authorities's access to TR-held data

- FSB members agreed as a follow iup that, by June 2018 at the latest, all jurisdictions should remove barriers to full reporting of trade information and all jurisdiction should have a legal framework in place to permit authorities's access to data in accordance to their mandates.

- Potential barriers reported by some countries relate to data protection and client confidentiality requirements which do not permit to report counterparty information to any third entity included TR.

Reporting obligation

- The main objective of the reporting obligation is to provide the competent authorities with information regarding the derivatives traded.

- The **data quality** is a priority for NCAs and ESMA

- **Data Quality Action Plan**

Issues of data quality

- Problems with **identifier** :
  - entity identifiers «LEI»
  - trade identifier «UTI»
  - product identifier «UPI»
- Use of **free text**
- **Missing** fields
- Lack of population of **Action Type**
- Submission of **extremely high values** (billions for quantity of contract)
- **Multiple reports** for the same trade
- Reporting of **complex products**
- Incorrect population of **Timestamps**
- Lack of **verification with the counterparty**

Data Quality Action Plan

Joint Project between NCAs and ESMA (launched in 2014) aimed at improving the quality and usability of data reported to and by TRs

1) **Measures to be implemented by TRs**

2) **Measures to be implemented by the reporting counterparties**

3) **Regulatory actions** (revision of the standards and new Q&As)

Measures to be implemented by TRs

- **Harmonised Data validation**
  - ➢ Format validation
 - ➢ Content validation

TR rejection
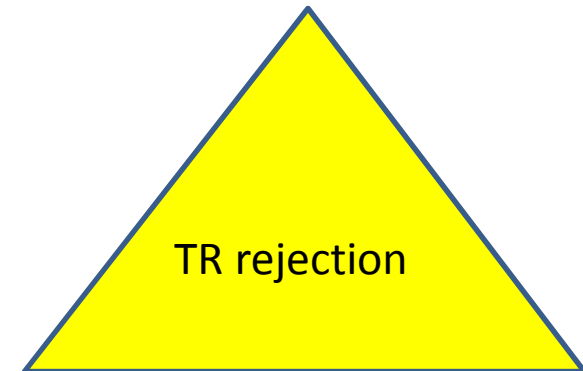
- **Improvement of Inter TR reconciliation process**
  - ➢ Validation and authentication of LEI
  - ➢ Validation of format, length and uniqueness of UTI
  - ➢ Disclosure of conflicting values to both counterparties
  - ➢ Harmonization of public data by the TRs

VALIDATION

- VALIDATION is a process that implements rules in order to limit the choice of value that can be reported in each of the EMIR fields to ensure reporting quality.

- **Level 1 validation** (December 2014): verification on whether relevant fields are being populated (*validation rules specifies which fields must be populated and which fields can be left blank and under what conditions*)

- **Level 2 validations** (November 2015) refers to content related validation (*conditional population and logical population of the fields*).

Data validation flow

Reporting

Counterparties → Trade Repositories
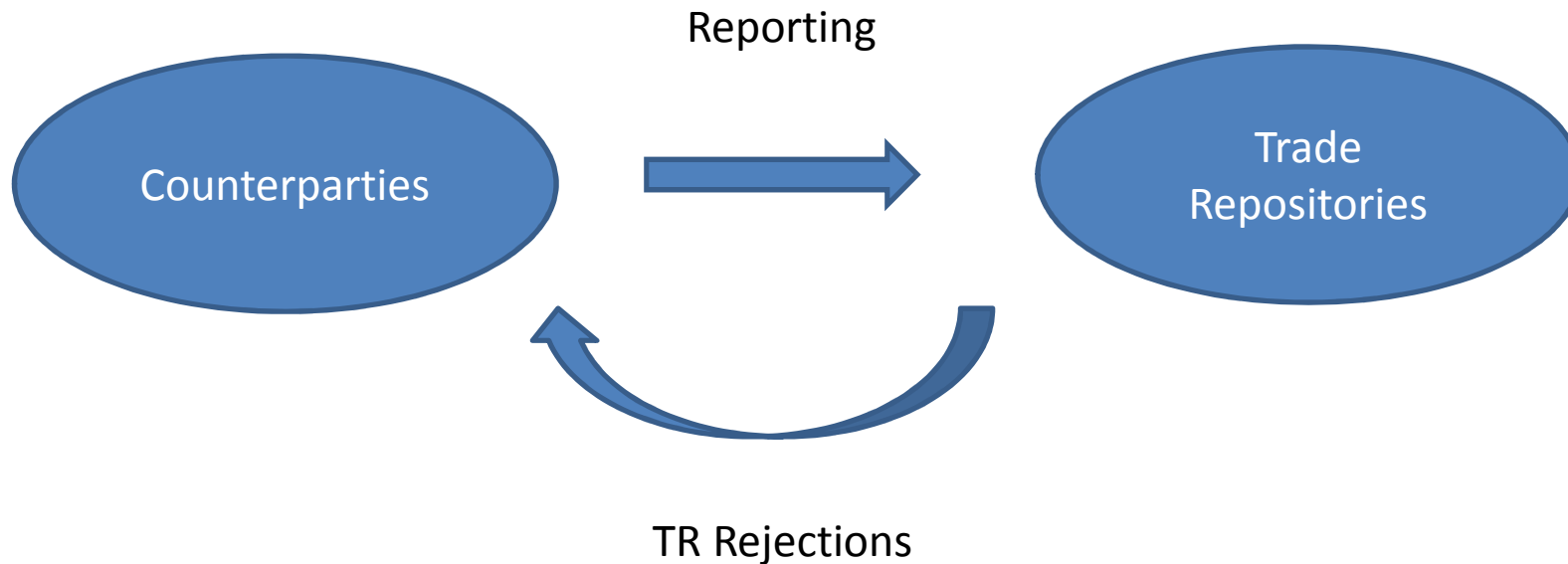
TR Rejections

TRs reject the trades that are not compliant with the validation rules

Rejection statistics are monitored by ESMA (re-validation) and by NCAs

The level of rejections across countries ranges from 0% to 8%

TR reconciliation

To avoid inconsistencies in the Common Data tables, each counterparty to a derivative contract should ensure that the Common Data reported is agreed between both parties to the trade. A <u>unique trade identifier</u> will help with the reconciliation of the two reports related to the same trade.

Reconciliation is a process of pairing and matching two sides of reports submitted to TRs.

Pairing is the first stage of the reconciliation process and involves LEI of counterparties and UTIs

Matching is the second stage of the reconciliation process and involves other fields of the report.

TR reconciliation
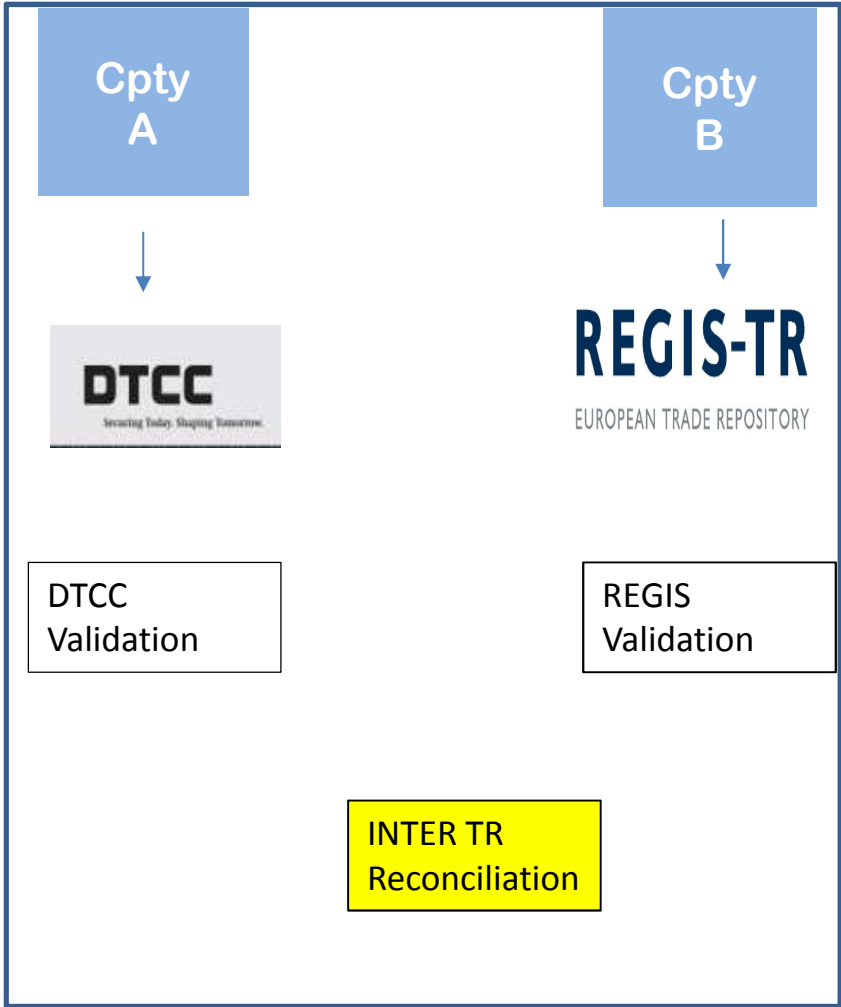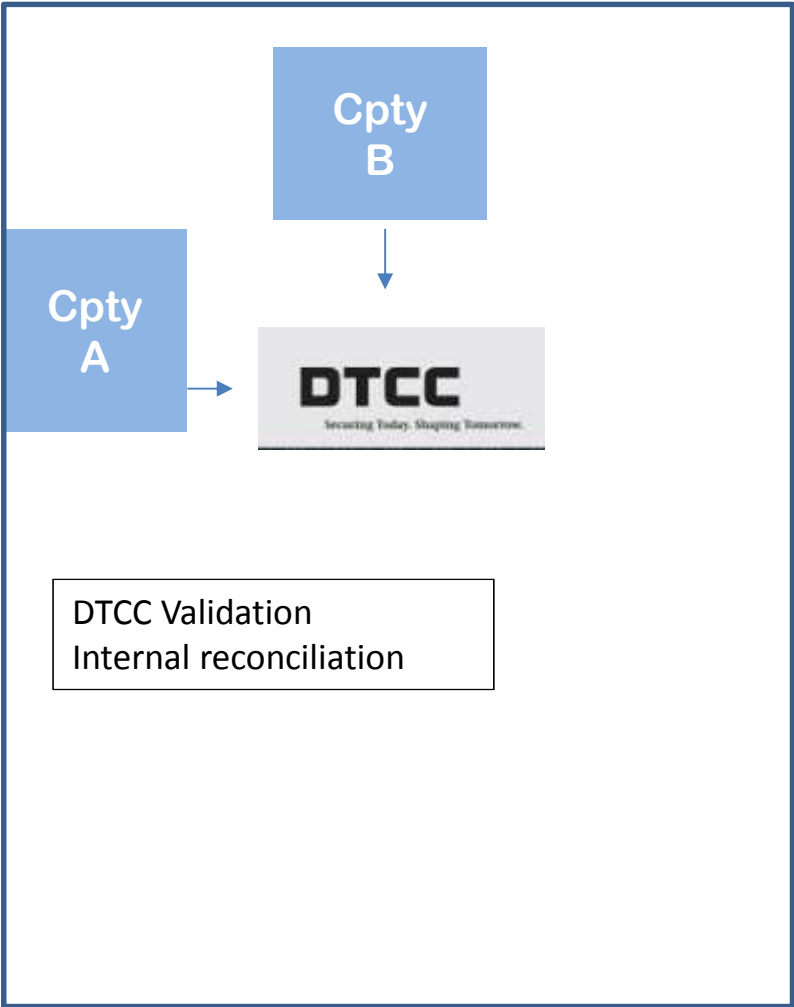
Measures to be implemented by the reporting counterparties

- ➤ Use of the LEI codes
- ➤ Compliance with the UTI logic
- ➤ Compliance with the Q&As on reporting to TRs
- ➤ Reduce the number of rejected reports and keep it at zero
- ➤ Reduce the number of unpaired reports and keep it at zero
- ➤ Reconcile the details of the trade reports with the counterparty
- ➤ Monitor direct and delegated reporting

Regulatory actions

- Amendment of reporting rules
- New Q&As on reporting
- Rejection statistics available to NCAs

Week ending on	Counterparty IDs for which rejection response message has been sent	Respective reporting entity ID	Respective number of rejection response messages for the reporting entity ID for trade reports made for the relevant reporting counterparty'	Total number of submissions/trade reports made by the reporting entity for the reporting counterparty	Rate of rejection	CA to which the information is made available	Onboarding status of the CA
13/05/2017	81560064********	5493006P8PDB********	51	1,080,976	0.00%	IT-CONSOB	Y
13/05/2017	549300L7Y***********	549300L7YCAT********	0	264,139	0.00%	IT-CONSOB	Y
13/05/2017	QV4Q8OGJ7***********	QV4Q8OGJ7OA6********	2394	94,980	2.52%	IT-CONSOB	Y
13/05/2017	UI802FYJ5***********	UI802FYJ52XD********	174	72,880	0.24%	IT-CONSOB	Y
13/05/2017	549300NQ3***********	5493006P8PDB********	2	53,841	0.00%	IT-CONSOB	Y
13/05/2017	549300TRU***********	2ZCNRR8UK83O********	516	53,036	0.97%	IT-CONSOB	Y
13/05/2017	J4CP7MHCX***********	J4CP7MHCXR8D********	951	46,078	2.06%	IT-CONSOB	Y

- Reconciliation statistics available to NCAs

Revised RTS and ITS on reporting (applicable from 1 November 2017)

RTS n. 104/2017 introduces new provisions on:

- Reporting of complex derivative products
- Reporting of collateral exchanged between counterparties (posted and received)
- Clarification on notional amount
- ....

- ITS n. 105/2017 introduces new provisions on:
- Legal entity identifier
- UTI generation
- Backloading
- Collateralization

MAIN CHALLENGES of EMIR REPORTING

- Everything is new (Emir data, counterparties, TR…)
- Reporting is too complex (volume and granularity)
- Cost of reporting for parties (given the number of reports to produce)
- Lack of awareness of duty to reconcile
- Delegated reporting
- Absence of governance over the data reported
- Data access and the fragmentation of the data among TRs

TRACE

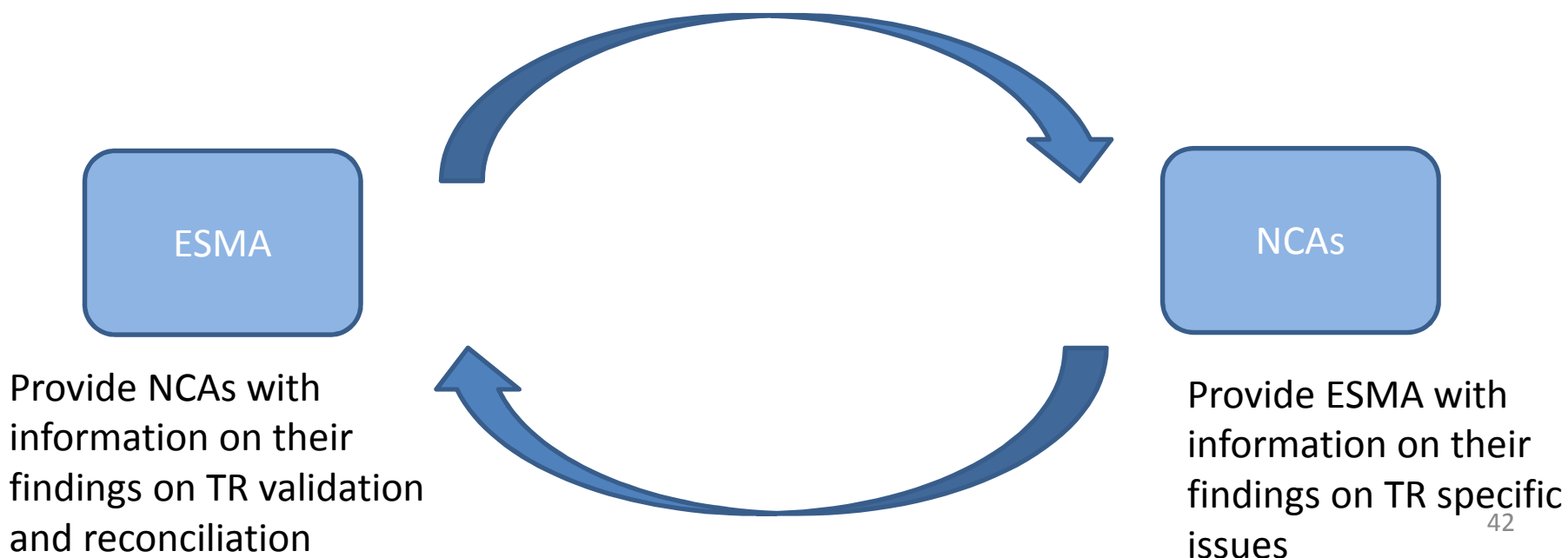- ACCESS TO TRADE REPOSITORIES PROJECT

ESMA portal represents a single point of access for querying and retrieving data from Trade Repositories. No storage of data.

The system (phase 1) was launched in production on 11 August 2016
phase 2 will go live on 1 November 2017

Exchange of information

«Competent Authorities, ESMA and other relevant authorities shall without unduly delay, provide one another with information required for the purposes of carring our their duties»

ESMA

NCAs

Provide NCAs with information on their findings on TR validation and reconciliation

Provide ESMA with information on their findings on TR specific issues

USEs of TR Data

- Monitor firm's exposure

- Monitor trends in the derivatives market

- Supervision of data quality and firms compliance

- Monitor NFC status (NFC-, NFC+)

- …

- …

Questions&Answers

Thank you!

Carmela Borsino
CONSOB, Markets Division
Roma-Kiev, 26 May 2017