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| Response Form to the Consultation Paper  |
| ESMA fees for DRSP |

**Responding to this paper**

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex 1. Comments are most helpful if they:

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

ESMA will consider all comments received by **4 January 2021.**

All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input - Consultations’.

**Instructions**

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

1. Insert your responses to the questions in the Consultation Paper in the present response form.
2. Please do not remove tags of the type <ESMA\_QUESTION\_CP\_DRFE\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
3. 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.
4. When you have drafted your response, name your response form according to the following convention: ESMA\_DRFE\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_ DRFE \_ABCD\_RESPONSEFORM.
5. Upload the form containing your responses, in Word format, to ESMA’s website ([www.esma.europa.eu](http://www.esma.europa.eu) under the heading “Your input – Open Consultations” 🡪 “ Public Consultation on fees for data reporting service providers (DRSP)”).

**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](http://www.esma.europa.eu) under the heading [Legal Notice](http://www.esma.europa.eu/legal-notice).

**Who should read this paper?**

This consultation is looking for feedback from data reporting services providers, market participants and authorities.

**General information about respondent**

|  |  |
| --- | --- |
| Name of the company / organisation | LSEG |
| Activity | Other Financial service providers |
| Are you representing an association? |[ ]
| Country/Region | UK |

**Introduction**

***Please make your introductory comments below, if any***

<ESMA\_COMMENT\_CP\_DRFE\_1>

The London Stock Exchange Group (“LSEG”) is a financial market infrastructure provider, headquartered in London, with significant operations in Europe, North America and Asia. Its diversified global business focuses on capital formation, intellectual property and risk and balance sheet management. LSEG operates an open access model, offering choice and partnership to customers across all of its businesses.

LSEG operates UnaVista, a rules-based data matching and validation service, available globally and designed to manage multiple workflows irrespective of market, geography and asset class. UnaVista’s TRADEcho B.V. is an authorised and regulated EMIR Trade Repository (“TR”) operating across all asset classes for both exchange traded derivatives and OTC derivatives. UnaVista’s TRADEcho B.V. entity is also an authorised and regulated SFTR Trade Repository. Unavista is a Data Reporting Service Provider (DRSP), acting both as an Authorised Reporting Mechanism (ARM) and an Approved Publications Arrangement (APA).

**General remarks**

LSEG welcomes the opportunity to comment on ESMA’s consultation proposals relating to fees for data reporting service provides (DRSPs) in relation to the new competences granted to ESMA under Regulation (EU) 600/2014 (MiFIR) as amended by Regulation 2019/2175.

In general:

* Overall, we agree with the proposed fee structure of a fixed application and authorisation fee and a supervisory fee that is proportionate to turn-over.
* We also believe that the fees should be proportionate to the nature of the supervisory tasks related to DRSPs.
* We agree with the statement in paragraph 68 that the DRSPs authorised at a national level, whose supervision will be transferred to ESMA will not need to be re-authorised.
* Whilst we appreciate that the first year of ESMA supervision for DRSP will be a challenging one, we believe that as a DRSP we need to be able to have an estimate of what the supervisory fees will look like for 2022 in order for us to create a budget forecast for that year and adjust our client fees schedules accordingly.

<ESMA\_COMMENT\_CP\_DRFE\_1>

**Questions**

1. : Do you agree with the proposed approach for DRSP fees? Please elaborate in detail the reasons for your answer.

<ESMA\_QUESTION\_DRFE\_1>

We understand the need to establish a harmonised European framework dealing with the supervision of DRSPs. We also recognise that ESMA, when carrying out its supervisory tasks, needs to be able to cover its costs. Our current supervisory costs paid to NCAs are relatively low and as a DRSP offering both ARM and APA services, any increase in supervisory costs will need to be passed on to our clients. Furthermore, we believe that the fees should be proportionate to the nature of the supervisory tasks related to DRSPs. Given that the DRSP market is already a mature market we do not believe that there will be many new entrants to this market which should have a positive impact on the required FTEs to perform application & authorisation as well as supervisory tasks.

Overall, we agree with the proposed fee structure of a fixed application and authorisation fee and a supervisory fee that is proportionate to turn-over.

<ESMA\_QUESTION\_DRFE\_1>

1. : Do you agree with the proposed application fee for ARMs and APAs? Please elaborate on the reasons for your answer.

<ESMA\_QUESTION\_DRFE\_2>

We agree with the statement in paragraph 68 that the DRSPs authorised at a national level, whose supervision will be transferred to ESMA will not need to be re-authorised. As such agree with the proposed wording for the application fees for new ARMs and APAs.

<ESMA\_QUESTION\_DRFE\_2>

1. : Do you agree with the proposed authorisation fee for ARMs and APAs? Please elaborate on the reasons for your answer.

<ESMA\_QUESTION\_DRFE\_3>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DRFE\_3>

1. : Do you agree with the reduced additional application and authorisation fee for each additional DRSP type in the case of a simultaneous application? Please elaborate on the reasons for your answer.

<ESMA\_QUESTION\_DRFE\_4>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DRFE\_4>

1. : Do you agree with the proposed application and authorisation fee for CTP? Please elaborate on the reasons for your answer.

<ESMA\_QUESTION\_DRFE\_5>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DRFE\_5>

1. : Do you agree with the proposed approach to calculate first-year fees for DRSPs authorised by ESMA under MiFIR? Please elaborate on the reasons for your answer.

<ESMA\_QUESTION\_DRFE\_6>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DRFE\_6>

1. : Do you agree with the proposed approach for the calculation of annual fees for DRSPs supervised by ESMA? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_DRFE\_7>

As a DRSP we believe that predictability of our fees charged for ARM and APA services to our clients is very important. As such we agree with that the supervisory fees charged by ESMA will cover all activities of the legal entity providing these DRSP services. The overall supervisory fees charged by ESMA should be in line with or equal to the current fees charged by NCAs for the supervisory tasks that will be transferred to ESMA.

<ESMA\_QUESTION\_DRFE\_7>

1. : Do you agree with the use of revenues for the purposes of calculation of the applicable turnover? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_DRFE\_8>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DRFE\_8>

1. : With regards to the revenues, do you agree with including both revenues form core and ancillary services? How complex is to identify and report the revenues from ancillary services attributable to each data reporting service separately? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_DRFE\_9>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DRFE\_9>

1. : In those cases, where ancillary services cannot be directly allocated to each data reporting service, do you agree with allocating them in accordance with the revenues from the respective core services? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_DRFE\_10>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DRFE\_10>

1. : Do you agree with the proposed level of minimum supervisory fee? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_DRFE\_11>

As a group that operates multiple TRs we agree to align the methodology used for the DRSP with that of a TR. Also, the minimum supervisory fees should be in line with the current minimum activity fees charged by our current NCAs.

<ESMA\_QUESTION\_DRFE\_11>

1. : Do you agree with the proposed level of minimum supervisory fees in case more than one data reporting service is provided? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_DRFE\_12>

Please refer to answer to Q11.

<ESMA\_QUESTION\_DRFE\_12>

1. : Do you agree with the approach for determining the fees in 2022 for already authorised DRSPs? Are there any difficulties in identifying the revenues from data reporting services provided in 2020? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_DRFE\_13>

As a DRSP already authorised by an NCA, we agree in principle to the proposed methodology to calculate the fees for 2022. We would like to stress that the year 2020 was a transition year as a result of the uncertainty about the end of the Brexit transition period. This will have an impact on our reported financial information for the date reporting services for that year.

<ESMA\_QUESTION\_DRFE\_13>

1. : Do you agree with the proposed approach for the supervisory fees related to preparatory work? Please elaborate.

<ESMA\_QUESTION\_DRFE\_14>

Whilst we appreciated that ESMA will be incurring initial set-up costs as a consequence of the transfer of supervisory powers from the NCAs to the Agency we would like more clarity on the indicative number.

Furthermore, we recommend ESMA to consider that as a private sector entity, all supervisory costs will need to be taken into account when we do our price setting for clients. As a consequence of these initial set-up costs UnaVista will need to recoup these from its clients.

<ESMA\_QUESTION\_DRFE\_14>

1. : Do you agree with the proposal for the payment conditions by DRSPs of the fees for application, authorisation or extension of authorisation under MIFIR? Please elaborate on the reasons for your answer.

<ESMA\_QUESTION\_DRFE\_15>

We agree with the proposal for the payment conditions by DRSPs of the fees for application, authorisation or extension of authorisation under MiFIR.

<ESMA\_QUESTION\_DRFE\_15>

1. : Do you agree with the proposal to not reimburse DRSPs in case they decide to withdraw their application for authorisation or extension of authorisation before authorisation is granted? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_DRFE\_16>

We agree with ESMA’s suggested proposal to not reimburse DRSPs in case they decide to withdraw their application for authorisation or extension of authorisation before authorisation is granted.

<ESMA\_QUESTION\_DRFE\_16>

1. : Do you agree with the proposal that DRSPs pay their annual fees by 31 March of the year for which the fees are due? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_DRFE\_17>

We agree with the proposal that DRSPs pay their annual fees by 31 March of the year for which the fees are due.

<ESMA\_QUESTION\_DRFE\_17>

1. : Do you agree with the proposal for the timing of payment of the 2022 fees? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_DRFE\_18>

Whilst we appreciate that the first year of ESMA supervision for DRSP will be a challenging one, we believe that as a DRSP we need to be able to have an estimate of what the supervisory fees will look like for 2022 in order for us to create a budget forecast for that year and adjust our client fees schedules accordingly.

<ESMA\_QUESTION\_DRFE\_18>