ESMA
European Securities and Markets Authority

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07/07/2017

# ESMA_QA_1526

Status: Answer Published

## Additional Information

**Level 1 Regulation**
Markets in Financial Instruments Directive II (MiFID II) Directive 2014/65/EU- Secondary Markets

**Topic**
Position reporting

**Subject Matter**
Position reporting

**Question**
How should investment firms report the positions in commodity derivatives of persons who receive investment or ancillary services from a non-investment firm that is an “end client” of the investment firm?

## ESMA Answer

07-07-2017

Original language

[ESMA 70-872942901-36 Commodity derivatives Q&A, Q&A 4.2]

As position limits apply to “persons”, all positions in commodity derivatives must be included in position reporting. Where an investment firm is reporting the positions of an end client that is not an investment firm and does not therefore have reporting obligations of its own under MIFID II, its report should cover both the end-client’s own account positions and any positions that the end-client holds on behalf of third parties.

Investment firms reporting such positions will reduce the risk of their reports erroneously identifying a breach of the position limit by the end-client by reporting the position of the end client separately from positions held by that end-client on behalf of third parties.

Further, by reporting the positions held by the end-client on behalf of third party entities on an entity-by-entity basis the investment firm will further reduce the risks of its reports erroneously identifying positions which appear to give rise to breaches because they aggregate across unaffiliated entities.

Entity-by-entity reporting is therefore encouraged, though ESMA recognises that the investment firm may not be able to disaggregate end-client’s positions, and there is no obligation on non-investment firms to provide disaggregated positions.

Every person holding a position in commodity derivative is subject to the position limits even if their positions are aggregated in the reporting process.