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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

Where there is a chain of investment firms that have to comply with commodity position reporting obligations, who has to report to the trading venue or NCA?

ESMA Answer

15-12-2017

Original language

[ESMA 70-872942901-36 Commodity derivatives Q&A, Q&A 4.17]

Where there is a chain of investment firms that are executing trades on behalf of their clients, each one of them has an obligation to report a complete breakdown of the positions held by all persons down the chain, down to the end client, as defined under Article 58(3) of MIFID II.

At the same time, duplicative reporting should be avoided. Unless firms make arrangements to avoid it, this may arise, for example, where two or more of the investment firms in the chain are members of a trading venue, and therefore have an obligation (under Article 58(3)) to report to the trading venue.

To this aim, there is a possibility to outsource reporting, for example, an arrangement in which the first investment firm in a chain will agree with the second that it will report to the trading venue. The firm which outsources the reporting should make sure that all the necessary and factual information is provided to the reporting agent, as the responsibility for reporting cannot be outsourced.