2022 Report on Quality and Use of Transaction Data
Online webinar 26 April 2023
Transaction data reporting regimes focus of the report

**EMIR**
- 16 billion life cycle events reported in 2022
- 30 million average number of open derivatives in 2022
- 160 thousand reporting counterparties

**SFTR**
- 450 million life cycle events reported in 2022
- 3 million average number of open SFTs in 2022
- 17 thousand reporting counterparties

**MiFIR**
- 12 billion (Art. 26) transactions reported in 2022
- 24 million (Art. 26) transactions reported daily
- 7 thousand (Art. 26) executing firms
- 700 thousand average number of (Art. 20-22) transactions published daily*

*Includes APAs under ESMA direct supervision only
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Use of EMIR, SFTR and MiFIR transaction data

- **Transaction data plays a critical role** in the identification and monitoring of risks to the integrity, orderly functioning and stability of financial markets.

- **Data directly supports** ESMA, NCA, ECB and ESRB decision making in the areas of **policy making, supervision and monitoring of financial markets risk analysis**.

- The report provides a broad overview of use-cases implemented by data users. Where possible, links to publicly available the report included.
New approach to monitoring data quality
NCAs data sharing frameworks & data quality dashboards

Automated/ ad-hoc indicators and dashboards
- Regular (daily / weekly) code executions to update indicators

Regular review and dissemination of aggregate results
- Review of all updated DQI indicators
- Prioritization of all identified issues based on thresholds
- Dissemination of aggregate and instrument/transaction level results to NCAs

Follow-up
- Agreed list of follow-ups and allocation of issues
- Depending on the issue follow-up with TRs or NCAs (for counterparty reporting issues)

Post follow-up
- Monitoring of the implementation of remediating actions by NCAs/CPs

- ESMA and NCAs agreed methodology on **19 EMIR data quality indicators covering all key data quality domains** (timeliness, completeness and reconciliation).

- **First round of follow ups** in Q4 2022 (covering 5 DQIs, 19 NCAs, 67 reporting counterparties) has led to an improvement in all DQIs.
Key developments impacting data quality: EMIR and SFTR

**EMIR DQIs and dissemination of the results to NCAs**

**DQI 1 – Difference in trades reported**  
A persistent issue, requiring immediate attention by counterparties

**DQI 2 – Difference in positions reported**  
More positions and smaller difference

**DQI 8 – Late valuations**  
Late valuations on the decline

- Difference in the number of trades/positions reported by the two counterparties of each derivative has significantly dropped in the last 6 months.
- The percentage of outstanding derivatives with late valuations rapidly declined continued and reached a low of 13.2% in the latest observations.
- The overall trend has been a decrease in the percentage of late valuations, which is a strong signal of the work being done on enhancing data quality in EMIR.
Key developments impacting data quality: MiFIR

ESMA becomes the supervisor of significant DRSPs

- The supervision of DRSPs was the exclusive responsibility of NCAs until December 2021.
- Following the results of the 2022 assessment, nine DRSPs are directly supervised by ESMA due to their relevant market activity in the EU.
- They represent almost 99% of the transactions reported among registered ARMs under article 26 of MiFIR and more than 99% of the transactions published by APAs.
Next steps on data quality

- ESMA and the NCAs will continue to work on extending the new monitoring framework beyond EMIR and SFTR in 2023.
- Continued collaboration with NCAs and stakeholders such as Repositories, DRSPs and reporting entities is crucial to achieving further improvements to data quality under the relevant reporting regimes.
Thank you!

Q&A