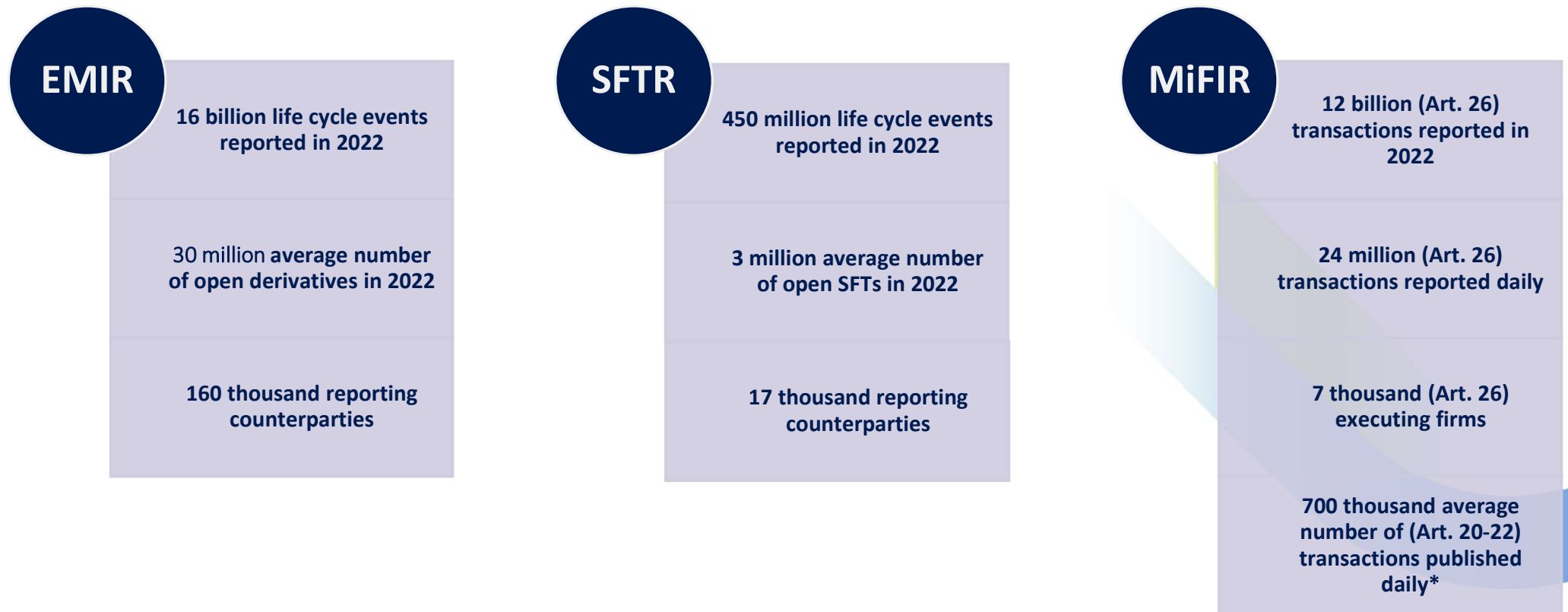




# **2022 Report on Quality and Use of Transaction Data**

**Online webinar 26 April 2023**

# Transaction data reporting regimes focus of the report



\* Includes APAs under ESMA direct supervision only

# 2022 Report on Quality and Use of Transaction Data

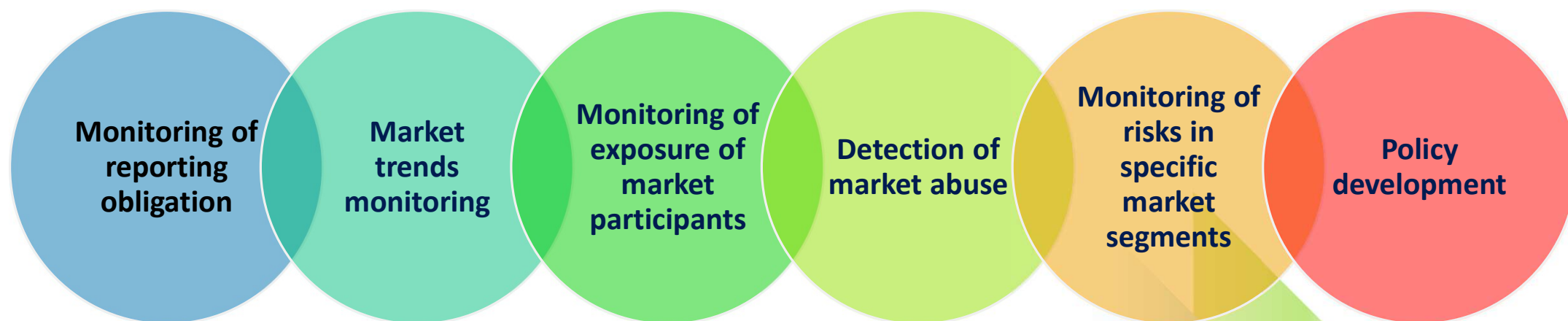


## Table of contents

- 1 Executive summary**
- 2 Use of EMIR, SFTR and MiFIR transaction data**
  - 2.2 NCAs, ECB and ESRB*
  - 2.3 ESMA*
- 3 New approach to monitoring data quality**
- 4 Key developments impacting data quality**
  - 4.1 EMIR data and SFTR data*
  - 4.2 MiFIR data*
  - 4.3 Conclusions and next steps*
- 5 Annex**
  - 5.1 List of publications utilizing transaction-level data under EMIR, SFTR and MiFIR*
  - 5.2 List of abbreviations*



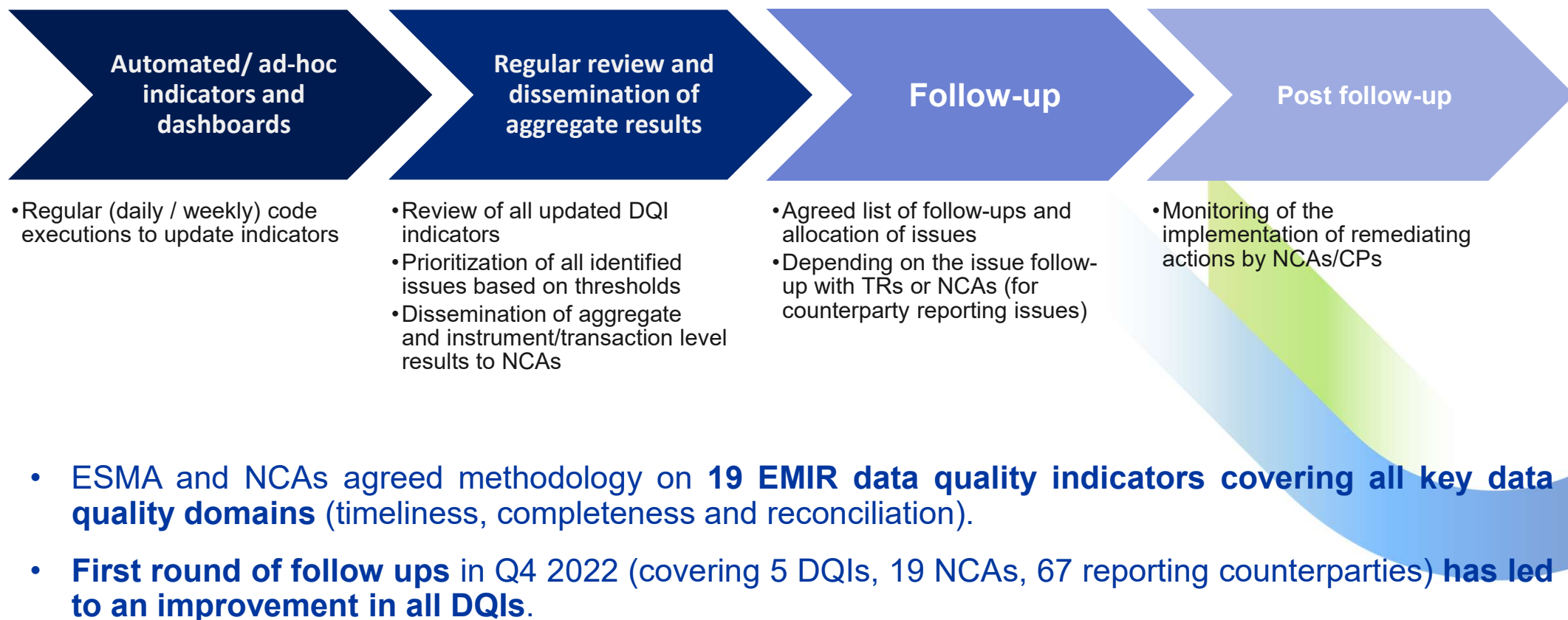
# Use of EMIR, SFTR and MiFIR transaction data



- **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



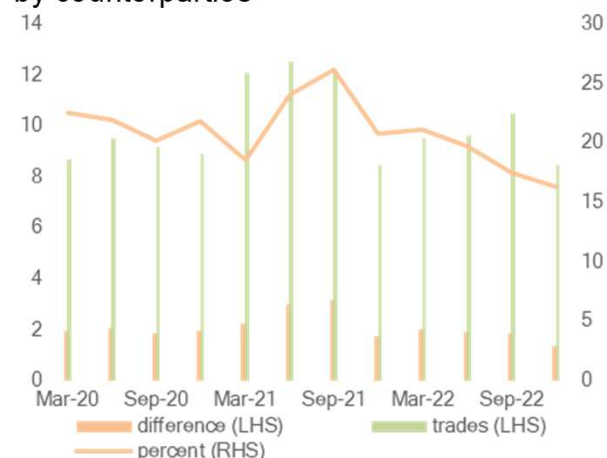
# Key developments impacting data quality: EMIR and SFTR



## EMIR DQIs and dissemination of the results to NCAs

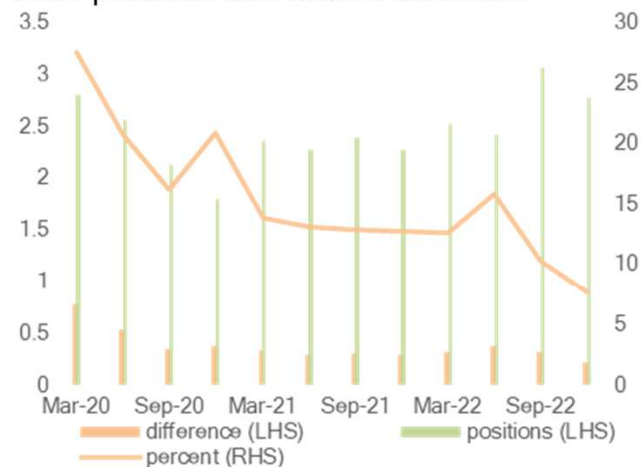
DQI 1 – Difference in trades reported

A persistent issue, requiring immediate attention by counterparties



Note: EMIR DQI 1 - LHS (Millions of records): Total outstanding pairable trades and the sum of absolute differences in reporting between two parties. RHS (%): Difference as a percent of outstanding trades. Sources: EMIR Trade State Report and ESMA calculations

DQI2 – Difference in positions reported  
More positions and smaller difference

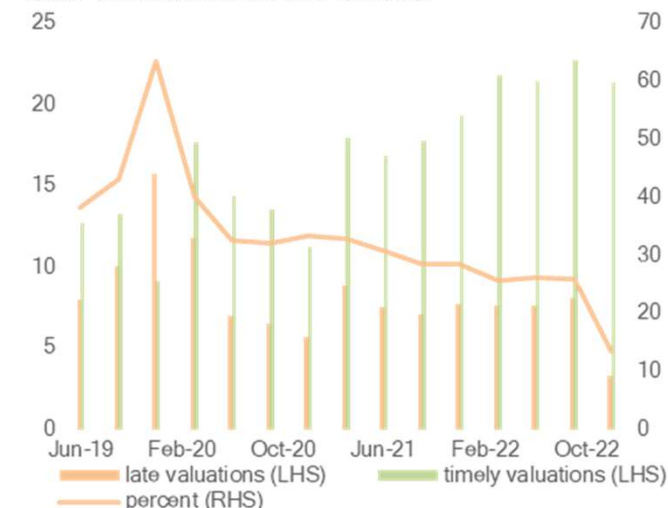


Note: EMIR DQI 2 - LHS (Millions of records): Total outstanding pairable positions and the sum of absolute differences in reporting between two parties.

RHS (%): Difference as a percent of outstanding positions. Sources: EMIR Trade State Report and ESMA calculations

DQI 8 – Late valuations

Late valuations on the decline



Note: EMIR DQI 8 - LHS (Millions of records) Timely and late valuations. RHS (%): Percent of records with late valuations out all records. Sources: EMIR Trade State Report and ESMA calculations

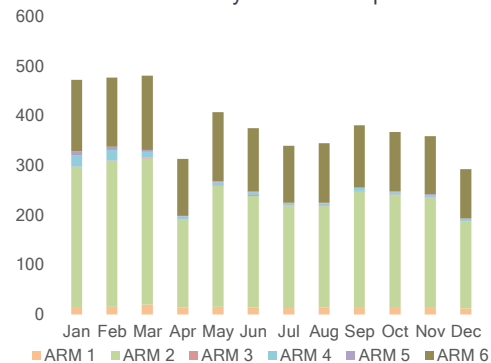
- Difference in the number of trades/positions reported by the two counterparties of each derivative has significantly dropped in the last 6 months.
- The percentage of outstanding derivatives with **late valuations rapidly declined continued and reached a low of 13.2% in the latest observations.**
- 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

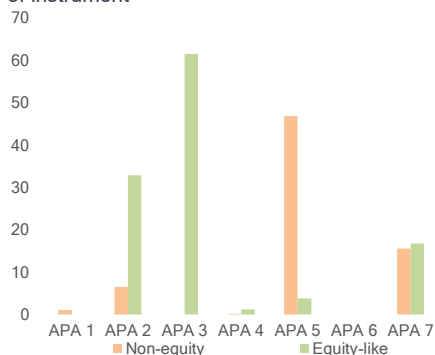


Total number of monthly transactions per ARM



Note: Total number of monthly transactions (in millions) per ARM, grouped by execution date.  
Sources: Transaction Reports received under MiFIR article 26.

Number of published transactions per APA and type of instrument



Note: Number of published transactions (in millions) per APA and type of instrument. APAs are anonymised.  
Sources: Periodic reporting from supervised entities.

- 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**