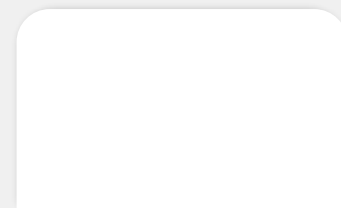




## Call for Evidence on Comprehensive approach for the simplification of financial transaction reporting

**ESMA public hearing**  
28 May 2026





Overview



CfE findings and ESMA Interim Report



CBA preliminary results and workshop



Timeline and next steps

# Overview





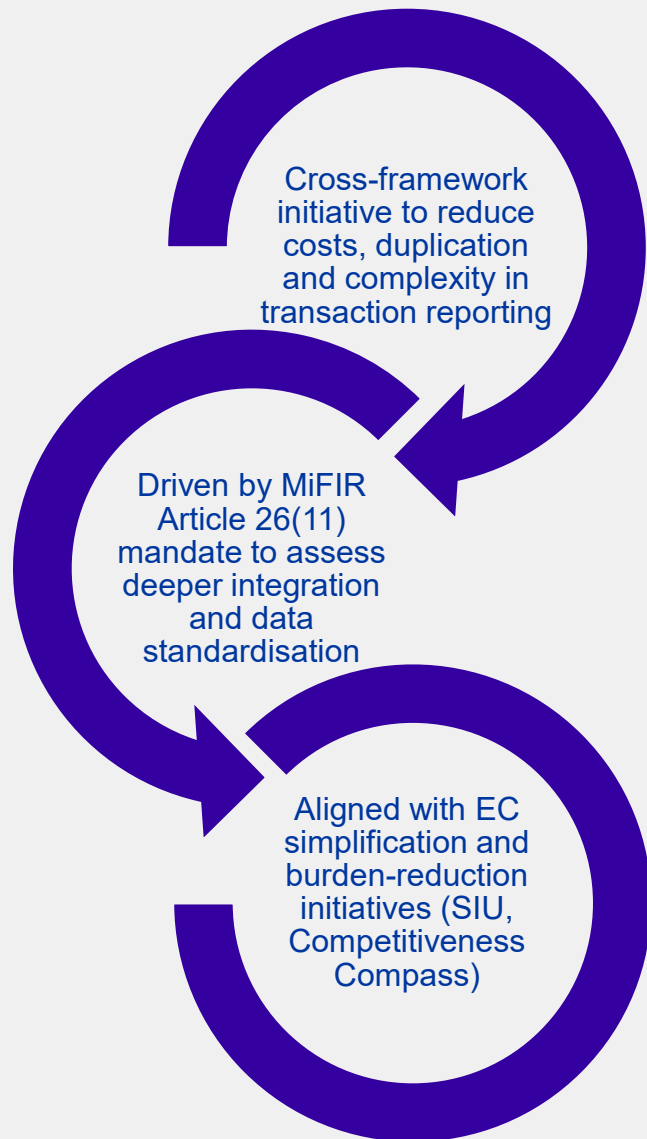
Today's session focuses on

- Interim Report
- Overview of CBA preliminary results and workshop outcome



This discussion reflects the very first step in a longer process.

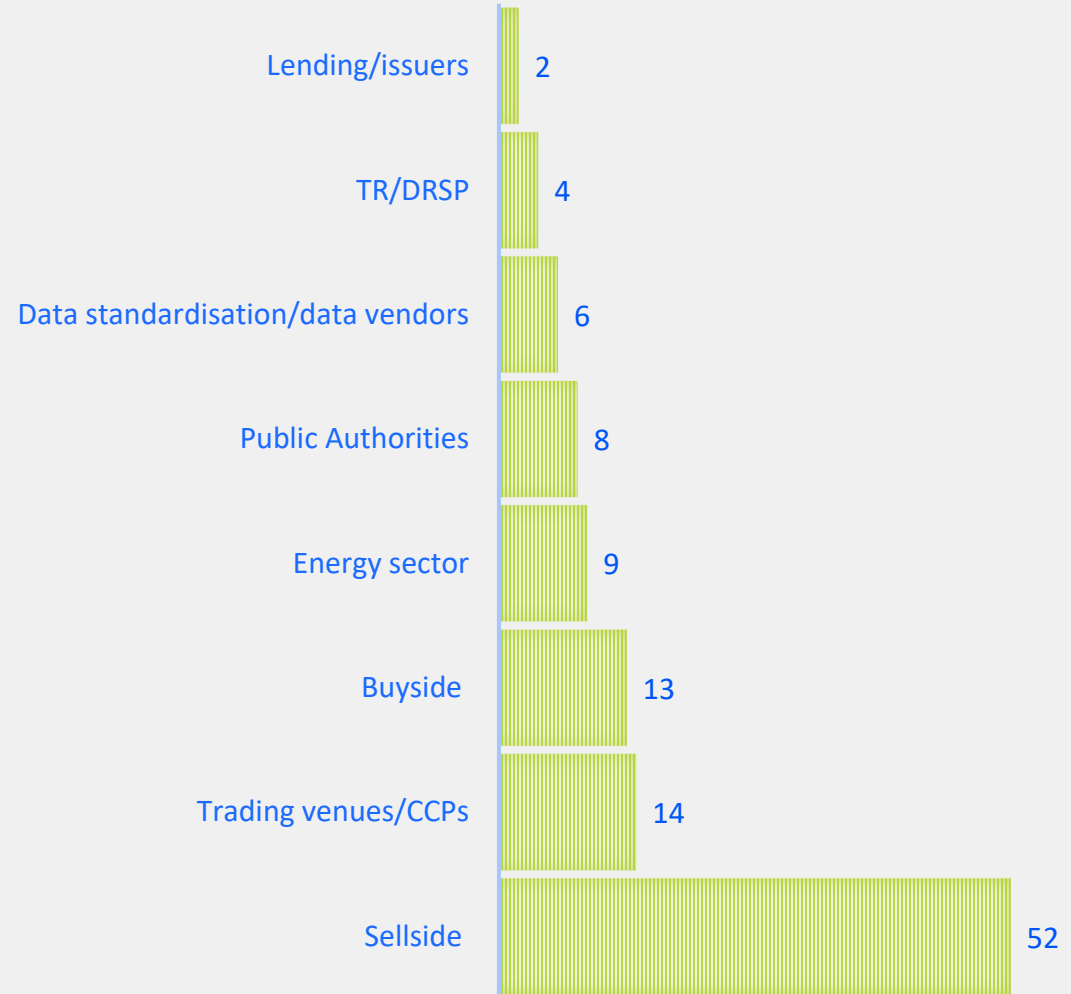
At this stage, the emphasis is on framing and testing key policy changes to the L1 framework rather than detailed implementation topics, e.g., revisions to the reporting templates and reporting scenarios .



- Pause incremental changes and define a comprehensive target framework for future reporting.
- Approach combines Call for Evidence (CfE), Cost-Benefit Analysis (CBA) with stakeholders, and a dedicated CBA for authorities.
- Work focuses on identifying key issues and cost drivers and assessing feasible simplification options.

# CfE engagement breakdown

- >100 responses received
- Strongest from **Sell-side**
- **Multiple sectors** responded (NFC gap)
- Public responses can be found on ESMA's website.
- **32 anonymous:**
  - 15 represented the Banking sector.
  - 5 came from Public Authorities.
- **Pan-EU associations** submitted **cost surveys** results (not public)



# CfE findings and ESMA Interim Report



## Preserve information value

- Ensure continued access to data actively used by supervisors and other authorities
- Safeguard supervisory, financial stability and statistical use cases
- Reassess data elements with limited added value only where justified

## Reduce overlaps and duplication

- Eliminate duplicative reporting across MiFIR, EMIR and SFTR
- Address structural sources of cost and operational complexity

## Pursue global alignment

- Use internationally recognised standards and identifiers
- Support interoperability, data reuse and regulatory convergence

## Balance costs and benefits

- Assess implementation, transition and long-term impacts
- Consider effects on market participants and authorities
- Base decisions on robust cost-benefit analysis

# CfE feedback analysis

## Key Takeaways:

- There is a broad agreement on the necessity for reform.
- Almost all participants emphasize the importance of continued dialogue and additional cost-benefit evaluations.
- **Preliminary analysis phase (no conclusions – only factual elements included in the responses)**



# Dual-sided reporting feedback

Feedback from the CfE shows:

- **Reconciliation** is identified as the main cost driver in dual-sided reporting.
- Firms must match submissions, resolve breaks, exchange UTIs and coordinate pre-report data.
- **Most respondents** see a major cost-saving opportunity and broadly support a revision of the dual-sided reporting.
- Responsibility would usually sit with the more sophisticated counterparty.
- However, authorities warn this could weaken data quality, blur responsibility and raise under-/mis-reporting risk. Dual-sided proven to increase quality and cover data gaps.
- **Some favour hybrid models or limiting reconciliation to key fields rather than full removal.**

**Next step: ESMA to assess expanded delegated reporting under EMIR Art. 9(1a) and SFTR Art. 4(3), remove TR-level transaction reconciliation, preserve portfolio reconciliation for risk mitigation, and maintain counterparty communication mechanisms.**

# Target scenario and incremental approach

Scenario/Target scenario 2a is broadly seen as the long-term end-state for an integrated reporting model.

Most stakeholders nevertheless prefer an incremental path, starting with intermediate Option 1a-type measures.

A key early step is a focused review of dual-sided reporting and reconciliation process

Stakeholders also support other practical simplifications and quick wins to deliver near-term relief.

A clear roadmap, supported by CBA and continued industry dialogue, is needed before moving to the target solution.

**Next steps: ESMA splits option 1a into three intermediate scenarios and will assess these three scenarios alongside target scenario 2a in the CBA.**

# CBA preliminary results and workshop

**Industry feedback to CfE indicates convergence on EMIR/MiFIR/SFTR integration as the target solution with intermediate steps to be further assessed.**

Support for a **phased approach for the implementation**

### **3 variants of Option 1a as intermediate steps**

1. With schema changes to guarantee Information Scope and ETD vs OTC split.
2. Without schema changes but with dual side revision.  
No ETD vs OTC split.
3. Dropping ETDs from EMIR (+ECB access to MiFIR) in addition to dual side revision.



### **Convergence on Option 2a**

“Report once” model with integration of MiFIR, EMIR, and SFTR **favoured as a long-term target solution**, as it avoids unsynchronized sectorial changes.

**Ongoing CBA focus on assessment of intermediate steps (option 1a variants) and Option 2a target solution.**

# CBA results

## NPV calculation of Target Option (2a)

### 4 segments, weighting of MK Infrastructures combined (25%)

Number of Institutions		weighting factor
Buyside		25,00%
MK Infrastructure	1	12,50%
MK Infrastructure TR	1	12,50%
NFC	1	25,00%
Sellside	1	25,00%
	4	100%

### NPV Calculation

#### Formula

$$NPV = \sum [CF_t / (1 + r)^t] - \text{Initial Investment}$$

#### Data

Cash Flow	1.531.469	EUR	<i>(Year Avg AS IS - Yearly Avg 2a)</i>
Implementation Cost	4.086.906	EUR	<i>(Avg Implementation Cost)</i>
r	3%		<i>Social Discount Factor</i>
t	10	year	<i>Time periode</i>

#### NPV Breakdown

Year	Cash Flow	Discount Factor (1.03 <sup>-t</sup> )	Present Value
0	-4.086.906	1,00	-4.086.906
1	1.531.469	0,97	1.486.863
2	1.531.469	0,94	1.443.556
3	1.531.469	0,92	1.401.511
4	1.531.469	0,89	1.360.690
5	1.531.469	0,86	1.321.059
6	1.531.469	0,84	1.282.581
7	1.531.469	0,81	1.245.224
8	1.531.469	0,79	1.208.956
9	1.531.469	0,77	1.173.743
10	1.531.469	0,74	1.139.557
		<b>NPV</b>	<b>8.976.835</b>

*Investment recovers in approximately 3 years*

# CBA results



A representative sample of 30 entities. across four sectors (buy side, market infrastructure, non-financials and sell side)



Significant annual savings are projected for option 2a after the 3<sup>rd</sup> year of implementation:

~9ml for the **30** entities in the sample.

**Assuming the overall number of reporting entities, yearly savings are expected to be significant for the whole industry**



**ESMA will scale NPV results from a 30-entity sample to the full market**, weighting by number of entities and reporting volume - calculation of category-level weighted costs, and subsequent recalculation of NPV.

# CBA cost drivers confirmed



Results are aligned with feedback received to the CfE



Top three cost drivers across type of stakeholder are

**Dual-sided reporting** and linked reconciliations

**Regulatory complexity** due to frequent, unsynchronised and unpredictable regulatory changes

**Duplicative reporting** due to overlapping scope across various sectorial frameworks and multiplication of reporting channels

# CBA workshop with participants

## **Workshop with CBA respondents (26 May 2026) to support and challenge preliminary findings**

- Presentation of preliminary CBA results and extrapolation methodology
- Collection of targeted stakeholder feedback through structured breakout sessions:
  - Dual-sided reporting revision
  - Intermediate simplification measures
  - Streamlining reporting channels
- Focus on validating key assumptions, identifying cost drivers and assessing feasibility
- Capture practical input on implementation challenges and potential savings
- Outputs feed into the refinement of the CBA and final policy recommendations

## Timeline and next steps



# Timeline



## Immediate steps

- Workshops/Public hearing on the Interim Report and proposed independent intermediate simplification measures
- CBA Finalisation
- Publication of the Final Report

# Annex





Full-day event organised by ESMA, with market stakeholders and NCAs.



**Focus:** Burden reduction and simplification in the digitalization era.



**High participation:**

~70 people onsite

1,000 registered

400+ online attendees

2,500+ views of the recording



**CfE discussion topics:**

CfE and holistic review - event not agenda item

Insights on key aspects: low-hanging fruits (quick-wins) and long-term vision



**Stakeholder involvement:**

Several participants from Data Day included in selected groups for the CBA carried out by Deloitte.



## Objective

A cost-benefit analysis is conducted to quantify the impact on costs and benefits of different scenarios for simplification in transaction reporting



## Quantitative assessment

The study assess both One-off costs and benefits and Running costs



## Data Users CBA

ESMA will conduct the assessment with NCAs at national and EU level.



## Stakeholders CBA

Conducted by an independent entity  
4 sectors: and around 30 participants

- MK infrastructure
- Buy side
- Sell side
- Non-financial corporates

Workshop with participants (26 May)

- Two reports are planned:
  1. An **Interim Report**. A feedback statement presenting the factual consultation results and next steps, followed by
  2. A later version including **final recommendations and CBA**.
- This approach allows to maximize the time available for developing and engaging on recommendations, while still ensuring transparency and alignment with the overall political process.

