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| 19 December 2016 |

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| Reply form for the Consultation Paper on ESMA’s technical advice to the Commission on fees for TRs under SFTR and on certain amendments to the fees under EMIR  |
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| Date: 19 December 2016 |

Responding to this paper

The European Securities and Markets Authority (ESMA) invites responses to the specific questions listed in Consultation Paper on Draft technical standards on ESMA’s technical advice to the Commission on fees for TRs under SFTR and on certain amendments to the fees under EMIR (TATR), published on the ESMA website.

*Instructions*

Please note that, in order to facilitate the analysis of the large number of responses expected, you are requested to use this file to send your response to ESMA so as to allow us to process it properly. Therefore, ESMA will only be able to consider responses which follow the instructions described below:

* use this form and send your responses in Word format (pdf documents will not be considered except for annexes);
* do not remove the tags of type <ESMA\_QUESTION\_TATR\_1> - i.e. the response to one question has to be framed by the 2 tags corresponding to the question; and
* if you do not have a response to a question, do not delete it and leave the text “TYPE YOUR TEXT HERE” between the tags.

Responses are most helpful:

* if they respond to the question stated;
* contain a clear rationale, including on any related costs and benefits; and
* describe any alternatives that ESMA should consider

**Naming protocol**

In order to facilitate the handling of stakeholders responses please save your document using the following format:

ESMA\_TATR\_NAMEOFCOMPANY\_NAMEOFDOCUMENT.

E.g. if the respondent were XXXX, the name of the reply form would be:

ESMA\_TATR\_XXXX\_REPLYFORM or

ESMA\_TATR\_XXXX\_ANNEX1

***Deadline***

Responses must reach us by **31 January 2017.**

All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input/Consultations’.

***Publication of responses***

All contributions received will be published following the end of the consultation period, unless otherwise requested. **Please clearly indicate by ticking the appropriate checkbox in the website submission form if you do not wish your contribution to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure.** Note also that a confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

***Data protection***

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the headings ‘Legal notice’ and ‘Data protection’.

# General information about respondent

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| Name of the company / organisation | London Stock Exchange Group / UnaVista |
| Activity | Regulated markets/Exchanges/Trading Systems |
| Are you representing an association? |[ ]
| Country/Region | Europe |

# Introduction

Please make your introductory comments below, if any:

<ESMA\_COMMENT\_TATR\_1>

London Stock Exchange Group (“LSEG”) is pleased to provide feedback on the ESMA’s technical advice to the Commission on fees for TRs under SFTR and on certain amendments of for fees under EMIR (ESMA/2016/1672).

LSEG is a diversified international market infrastructure and capital markets business sitting at the heart of the world's financial community. LSEG operates a broad range of international equity, bond and derivatives markets, offers post trade and risk management services, is a global leader in indexing and analytic solutions and a developer of high performance trading platforms and capital markets software.

LSEG operates UnaVista (“UV”), a rules-based data matching and validation service, available globally and designed to manage multiple workflows irrespective of market, geography and asset class. UnaVista is an Approved Reporting Mechanism (“ARM”) under the MiFID regime and UnaVista Ltd is an authorised and regulated EMIR Trade Repository (“TR”) operating across all asset classes for both exchange traded derivatives and OTC derivatives.

EU Transparency Register: 550494915045-08

Contact: Mr. David Nowell – DNowell@lseg.com, Ms. Beata Sivak – BSivak@lseg.com

<ESMA\_COMMENT\_TATR\_1>

1. [Do you agree with the proposed harmonisation of approaches to dealing with surpluses and deficits for the purposes of fees calculation under EMIR and SFTR? Please elaborate on the reasons for your response.](#_Toc469499914)

<ESMA\_QUESTION\_TATR\_1>

We agree that it is logical to have a single harmonised approach to surpluses and deficits determining fee calculation under EMIR and SFTR. We believe this will benefit ESMA and the TRs and we are confident that the checks by the European Court of Auditors will ensure that the procedure is fair.

<ESMA\_QUESTION\_TATR\_1>

1. [Do you agree with the proposed approach to classify TRs? If not, what other aspects should be taken into account? Please elaborate.](#_Toc469499915)

<ESMA\_QUESTION\_TATR\_2>

No response.

<ESMA\_QUESTION\_TATR\_2>

1. [Do you agree with the proposed criterion to classify TRs? If not, what other aspects should be taken into account? Please elaborate.](#_Toc469499916)

<ESMA\_QUESTION\_TATR\_3>

No response.

<ESMA\_QUESTION\_TATR\_3>

1. [Do you agree with the proposed types and amounts of registration fees? Please elaborate.](#_Toc469499917)

<ESMA\_QUESTION\_TATR\_4>

No response.

<ESMA\_QUESTION\_TATR\_4>

1. [Do you agree with the proposed type and amount of fees for extension of registration under SFTR? Please elaborate.](#_Toc469499918)

<ESMA\_QUESTION\_TATR\_5>

We strongly support the principle that an extension of an existing TR registration should result in a lower fee, compared to a new registration, due to the fact that ESMA is already in possession of much of the information required. ESMA proposes fee of €50,000 for the extension and €65,000 for the new registrant (‘lower turnover’ TRs). We question whether an extension of registration would require as much as 77% of the time, effort and resources, compared to a new registration.

<ESMA\_QUESTION\_TATR\_5>

1. [Do you agree with this proposal? Please elaborate on the reasons for your response.](#_Toc469499919)

<ESMA\_QUESTION\_TATR\_6>

Yes, this appears fair and a logical extension of the argument that an existing TR should pay a reduced fee for the extension of registration.

<ESMA\_QUESTION\_TATR\_6>

1. [Do you agree with maintaining under SFTR the same approach as under EMIR for allocation of supervisory fees as proportion of the TR’s specific turnover to the total turnover of all registered TRs? Please elaborate on the reasons for your response.](#_Toc469499920)

<ESMA\_QUESTION\_TATR\_7>

We support the principle that TR fees should be proportional to their turnover relative to the total turnover of all registered TRs. This appears to be a simple and equitable solution.

<ESMA\_QUESTION\_TATR\_7>

1. [Do you agree with the proposed methodology to calculate the annual turnover of TRs under SFTR based only on the core revenues from SFT reporting? Please elaborate on the reasons for your response.](#_Toc469499921)

<ESMA\_QUESTION\_TATR\_8>

We support the proposal that fees should be determined by annual turnover and that this should only include the core revenues from SFT revenues. We agree that the lessons learnt from EMIR reporting have shown that the inclusion of outstanding trades, and to a certain extent new trades, in the fee calculation have brought unexpected problems due to the nature of reporting trades and lifecycle events, particularly certain derivative types.

<ESMA\_QUESTION\_TATR\_8>

1. [Alternatively, do you consider that to calculate the annual turnover of TRs under SFTR all revenues related to SFT reporting, i.e. core and ancillary services related to SFTs, should be taken into account? Please elaborate on the reasons for your response.](#_Toc469499922)

<ESMA\_QUESTION\_TATR\_9>

While we currently do not plan to include ancillary services in our TR, we do not believe ancillary services should be included in the calculation of fees as supervisory efforts are essentially related to core reporting activities only.

<ESMA\_QUESTION\_TATR\_9>

1. [Do you agree to amend and simplify the methodology to calculate the annual turnover of TRs under EMIR? Please elaborate on the reasons for your response.](#_Toc469499923)

<ESMA\_QUESTION\_TATR\_10>

As per our response to question 8, we are fully supportive of this proposal. We believe it is a common-sense solution to overcome the difficulties with the original fees model, whilst maintaining a fair allocation of ESMA’s costs to the TRs.

<ESMA\_QUESTION\_TATR\_10>

1. [Do you agree with the proposed minimum supervisory fee? Please elaborate on the reasons for your response.](#_Toc469499924)

<ESMA\_QUESTION\_TATR\_11>

We fully support the concept of a minimum supervisory fee for all TRs. We recognise that the minimum of supervisory activity would be regulation specific, and would therefore also agree that an entity operating as a TR for both EMIR and SFTR should be subject to a minimum supervisory fee for each.

<ESMA\_QUESTION\_TATR\_11>

1. [Which alternative for supervisory fees do you prefer? Please elaborate on the reasons for your response.](#_Toc469499925)

<ESMA\_QUESTION\_TATR\_12>

We have a slight preference for ‘Alternative A’ as we value the benefits of planning costs in advance a little higher than the knowledge that the eventual costs will reflect the actual efforts. However, we do not expect these two figures to be very different.

<ESMA\_QUESTION\_TATR\_12>

1. [Do you agree with the proposed types and amounts of recognition fees? Please elaborate on the reasons for your response.](#_Toc469499926)

<ESMA\_QUESTION\_TATR\_13>

While the proposals appear reasonable, we would welcome a clarification on how an EU TR may eventually seek recognition as a third country TR. It would appear reasonable to apply a fee in relation to the equivalence and cooperation arrangements the authorities would have to have in place. However, it is not clear whether ESMA would need to assess a new application from the TR, if all the information required would already be in the original TR’s application.

<ESMA\_QUESTION\_TATR\_13>

1. [Do you agree with the proposal related to the payment of fees related to registration, extension of registration and recognition? Please elaborate on the reasons for your response.](#_Toc469499927)

<ESMA\_QUESTION\_TATR\_14>

We agree that this is reasonable.

<ESMA\_QUESTION\_TATR\_14>

1. [Do you agree with the proposal related to reimbursement of fees? Please elaborate on the reasons for your response.](#_Toc469499928)

<ESMA\_QUESTION\_TATR\_15>

We agree that this is reasonable and fair for both ESMA and TRs.

<ESMA\_QUESTION\_TATR\_15>

1. [Do you agree with the proposed frequency of payments of the annual supervisory fees for the purposes of SFTR? Please elaborate on the reasons for your response.](#_Toc469499929)

<ESMA\_QUESTION\_TATR\_16>

We have no objections to this proposal.

<ESMA\_QUESTION\_TATR\_16>

1. [Do you agree with the harmonising the frequency of payments of the annual supervisory fees under EMIR with SFTR? Please elaborate on the reasons for your response.](#_Toc469499930)

<ESMA\_QUESTION\_TATR\_17>

Yes, we believe this harmonised approach will also have advantages for TRs operating for both EMIR and SFTR.

<ESMA\_QUESTION\_TATR\_17>

1. [Do you agree with the suggested approach on annual recognition fees? Please elaborate on the reasons for your response.](#_Toc469499931)

<ESMA\_QUESTION\_TATR\_18>

We have no objections to this approach.

<ESMA\_QUESTION\_TATR\_18>

1. [Do you agree with the proposed approach to dealing with the reimbursement of costs to the competent authorities in case of delegation of ESMA tasks under Article 9(1) SFTR? Please elaborate on the reasons for your response.](#_Toc469499932)

<ESMA\_QUESTION\_TATR\_19>

We believe this approach is fair and logical.

<ESMA\_QUESTION\_TATR\_19>