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| Response Form to the Consultation Paper  |
| Technical standards on reporting, data quality, data access and registration of Trade Repositories under EMIR REFIT |

**Responding to this paper**

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex 1. Comments are most helpful if they:

* respond to the question stated;
* indicate the specific question to which the comment relates;
* contain a clear rationale; and
* describe any alternatives ESMA should consider.

ESMA will consider all comments received by **19 June 2020.**

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

**Instructions**

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

1. Insert your responses to the questions in the Consultation Paper in the present response form.
2. Please do not remove tags of the type <ESMA\_QUESTION\_CP\_TSTR\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
3. If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
4. When you have drafted your response, name your response form according to the following convention: ESMA\_TSTR\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_TSTR\_ABCD\_RESPONSEFORM.
5. Upload the form containing your responses, in Word format, to ESMA’s website ([www.esma.europa.eu](http://www.esma.europa.eu) under the heading “Your input – Open Consultations” 🡪 “Consultation on MiFIR report on Systematic Internalisers in non-equity instruments”).
6. If you wish to provide comments on the definitions, formats, allowable values or reconciliation tolerances for the specific reporting fields, please use for that purpose the additional response form in excel format.

**Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publically disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. 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 not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

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**Who should read this paper**

All interested stakeholders are invited to respond to this consultation paper. In particular, responses are sought from financial and non-financial counterparties of derivatives, central counterparties (CCPs) and trade repositories (TRs), as well as from all the authorities having access to the TR data.

**General information about respondent**

|  |  |
| --- | --- |
| Name of the company / organisation | DTCC Derivatives Repository (DDRL) |
| Activity | Other Financial service providers |
| Are you representing an association? |[ ]
| Country/Region | UK |

**Introduction**

***Please make your introductory comments below, if any***

<ESMA\_COMMENT\_TSTR\_1>

DDRL welcomes the opportunity to provide comments as part of the consultation on Technical standards on reporting, data quality, data access and registration of Trade Repositories under EMIR REFIT.

Before addressing the specific consultation questions, we would like to share a number of summarizing thoughts on those points that we believe merit special attention.

On standard identifiers, we would like to stress the importance of the Global Legal Entity Identifier Foundation (GLEIF) as the golden source for LEIs and the place where the lifecycle of LEIs should be managed. GLEIF should update LEIs after mergers or other corporate restructuring events. TRs will update records based on notification from GLEIF. We do not believe that TRs are the right place to generate Unique Trade Identifiers (UTI), as they are required for many post-trade processes and therefore should be generated much closer to execution than would be required for reporting purposes. We are supportive of the “Revive” Action Type to avoid counterparties having to re-report trades using new UTIs due to incorrectly generated error reports. Further clarifications may however be needed, as outlined in our response below.

When it comes to identifiers such as LEIs, UTIs and Unique Product Identifiers (UPI), regulators in all jurisdictions should use the same identification paradigms and we would encourage ESMA to discuss the standardization with other regulatory bodies before it reaches a firm conclusion for the EMIR Refit standards. As outlined throughout our response, we believe global consistency is imperative.

In that sense, we are very supportive of ESMA’s approach to closely align many of the data fields with CPMI IOSCOs common data elements (CDE). There are still gaps, however, and we would like to see ESMA go further and allow the reporting of prices and rates in decimal form as well as to align the notional amount of options with the CDE Call and Put naming convention. We believe this is a clearer solution rather than using a generic notional leg field. We also believe the CDE notation of using reporting party is clearer than the use of counterparty 1, which ESMA is proposing to adopt in fields such as “Initial margin collected by the counterparty 1 (post-haircut)”. We also would like to see close harmonization with other regulations such as Dodd Frank on fields not covered by the CDE. We firmly believe that close, if not complete, alignment of fields globally can only benefit and help deliver the main mandate of the G20 reporting regime that is to monitor global systemic risk.

With regards to mandatory delegated reporting for NFC- we would like to stress the need for definitive guidance on the legal responsibility for reporting (obligation and physical reporting action) in the technical standards. We also believe that, in the scenario in which the FC and NFC- report to two different TRs, the options outlined by ESMA on the process to be followed are not the most effective especially given the fact that other TRs do not yet support the porting of a subset of a portfolio, commonly referred to as partial porting. We therefore present an alternative in our response below, which we believe would significantly reduce the workload of all participants in the process, including the NFCs, and improve the resulting data quality. In this context, it is also important to review/update the portability guidelines to put the responsibility and instruction rights in a porting situation onto the entity responsible for reporting (ERR) and not the reporting counterparty. Additionally, we would support clarification of the porting guidelines as it relates to the NFC-‘s responsibility to initiate the porting process.

Finally, we would also like to draw ESMA’s attention to the importance of providing sufficient time for the industry to implement changes such as the introduction of common schemas for reporting, for which an implementation period of at least twelve months would be required.

<ESMA\_COMMENT\_TSTR\_1>

**Questions**

1. [: Do you see any other challenges with the information to be provided by NFC- to FC which should be addressed? In particular, do you foresee any challenges related to the FC being aware of the changes in the NFC status?](#_Toc34747676)

<ESMA\_QUESTION\_TSTR\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_1>

1. [: Do you agree with the proposals set out in this section? If not, please clarify your concerns and propose alternative solutions.](#_Toc34747677)

<ESMA\_QUESTION\_TSTR\_2>

We agree with the general aim to put the requirement for physical reporting on the counterparty to the derivative contract that is technically and operationally best placed to carry out the reporting process. We believe the consolidation of this responsibility into a smaller number of, primarily, financial services participants will increase the quality of the data and the related reconciliations.

We do, however, have some concerns over the recommended mechanism for porting of data between TRs as we do not believe this proposal is the most effective mechanism for all types of derivatives transfers (e.g. NFC- to FC).

ESMA’s Portability Guidelines (Guidelines on transfer of data between TRs) were designed specifically for transfers where a client is moving their entire portfolio from one TR to another and continuing to have a relationship with the new TR. It is, however, possible that for mandatory delegation, an NFC- may face FCs using different TRs and therefore requiring ‘partial’ porting of a portfolio to multiple new TRs. Not all TRs have this capability as of June 18, 2020 and the inability of an NFC- to have their legacy portfolios ported to the TR that their FC is utilizing will cause issues for FCs This could result in duplicative reporting unless the NFC- were to exit the reporting at their old TR at the time of a modification.

We believe that an option would be to have the FC simply re-report the NFC- position to the new TR, as if they were reporting on behalf of the NFC-, and the NFC- closes their position in the other TR.

We understand that the process of allowing NFC- to simply stop reporting their OTC derivative contracts at the old TR and having the FCs report the current state of the contracts at a new TR is not one of the options that ESMA initially raised in this consultation.

<ESMA\_QUESTION\_TSTR\_2>

1. : [Do you need any further clarifications regarding the scenario in which the FC and NFC- report to two different TRs?](#_Toc34747678)

<ESMA\_QUESTION\_TSTR\_3>

Please refer to Q2.

We believe that the two options provided by ESMA have merits but also disadvantages.

Option 1 requires the FC to report to the TR of the NFC-. We find this scenario unrealistic as it requires each FC to potentially report to, and consume back, messages from each and every authorized TR. Currently, it is market practice for an FC to deal with a single TR per jurisdiction. This option therefore is highly complex from an operational perspective and will create additional risks and costs both in implementation and maintenance for the FCs.

Option 2 requires the NFC- to port their transactions to the TR of the FC as per ESMA’s guidance in May 2020. We have stressed that the existing data transfer guidelines were designed to enable a TR participant to move their entire portfolio from one TR to another, e.g. in the event of closure of existing TR. In the case of mandatory delegated reporting, the NFC- does not actually need to be a participant in a TR, this is the responsibility of the FC. The NFC- will therefore have no need for a business or operational relationship with the TR of the FC. This option will force the NFC- to establish such a relationship even if it is relatively “light touch”.

Option 2 also requires the NFC- to upgrade any legacy transactions to the right level of data quality (e.g. updates of standards) which introduces additional complexity for the NFC- when one of the stated goals of the mandatory delegated reporting scheme was to take the burden off the less sophisticated counterparty. Additionally, because portings, per the guidelines, can only take place on bilaterally agreed dates when both TRs are available and requires weekend interaction with the NFC-, the requirement to port puts additional burden on the NFC-

Also, whilst a typical porting process usually covers a limited number of LEIs, in the case of mandatory delegation it may involve thousands of LEIs potentially impacting the TRs’. processing capacity. This may cause delays in the porting process.

We believe there is a third option as mentioned above in question 2.

* ***Old TR/New TR:*** No required porting.
* **FCs:** While they would backload all old trades, it should result in a100% reconciliation status.
* **ESMA**: best quality data: 100% reconciliation of open contracts.

<ESMA\_QUESTION\_TSTR\_3>

1. [: Are there any other aspects related to the allocation of responsibility of reporting that should be covered in the technical standards? If so, please clarify which and how they should be addressed.](#_Toc34747679)

<ESMA\_QUESTION\_TSTR\_4>

ESMA is introducing an additional field for report submitting entities to clearly identify the ERR. DDRL supports the clear identification of this information especially as it relates to third parties who retain the reporting obligation.

In Annex 1, Table 1, field 3 is defined to be populated by the FC when the contract is covered by the mandatory delegated reporting requirements: In cases where the reporting party is a UCITs fund, it is the UCITs manager; where it is an AIF, it is the AIF Manager; and when the reporting party is an IORP, it is the related manager.

DDRL recommends that ESMA clarifies all of the other reporting responsibilities, such as voluntary delegated arrangements or firms reporting on behalf of a related entity. In the case of the former, it is not clear whether the ERR should be populated with the entity that is responsible for the overall reporting requirements (as delegated) or by the reporting party itself. Similar situations can arise for related entities where a single entity in the family, such as a services company, is the report submitting entity. It is unclear whether this field is meant to identify the party that the NCA should contact with questions surrounding a reported contract or whether it is meant to identify the party that is legally responsible even though they’ve delegated the technical/administrative responsibilities.  Similar clarification should be made in the case of special purpose vehicles (SPVs) that have legally given the reporting requirements to a SPV manager.

It is also important to review/update the portability guidelines to put the responsibility (obligation) and instruction rights in a porting situation onto the ERR alone and not the reporting party.

DDRL is fully supportive of the addition of the ERR in that it provides for contract level access to given reports to the appropriately identified entities. This should be a mandatory submission field, as it will help provide the relevant data access.

In addition to the report submitting entity, the two principals to the transaction (reporting counterparty and other counterparty) and the entity responsible for reporting (for the reporting counterparty), DDRL believes that ESMA should consider adding a field for execution agent. For many types of entities (UCITs, trusts, SPVs, endowments, etc.) there is an execution agent or agents that are responsible for managing the money and executing the transaction. Because there are potentially multiple execution agents for a given LEI as a reporting counterparty, it is not possible to give these execution agents access to the contract data in the TR without having them listed on the transactions. DDRL has implemented this field and it is applicable to both the reporting counterparty and other counterparty. The execution agents, where applicable, are best placed to review the accuracy of the contract details on behalf of the reporting counterparty/other counterparty. DDRL recommends that ESMA implement these fields, along with ERR, making them mandatory as well. While they will often not be applicable, reporting counterparty/other counterparty can submit the same LEI in these fields as in the reporting counterparty/other counterparty fields when not applicable. It has been our experience that making fields mandatory results in a greater accuracy rate than when they are optional.

<ESMA\_QUESTION\_TSTR\_4>

1. [: Do you see any other challenges with the information by NFC- to FC of their decision to perform the reporting of OTC derivatives which should be addressed?](#_Toc34747680)

<ESMA\_QUESTION\_TSTR\_5>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_5>

1. [: Do you agree with the proposals set out in this section? If not, please clarify your concerns and propose alternative solutions.](#_Toc34747681)

<ESMA\_QUESTION\_TSTR\_6>

Please refer to our response in Question 4.

The 5-day period in paragraph 21 may not be sufficient, especially if the change in reporting responsibilities involves porting. The two parties (NFC- and FC) should come to a clear and agreed set of responsibilities which could potentially take more than five days as well as completing any necessary TR onboarding and porting documentation.

<ESMA\_QUESTION\_TSTR\_6>

1. [: Do you see any issues with the approach outlined above? Do you see any other challenges with the delegation of reporting which should be addressed?](#_Toc34747682)

<ESMA\_QUESTION\_TSTR\_7>

We would appreciate some clarity on Paragraph 31. Even though we understand the EMIR Refit Article 80 intention, we must highlight that access for delegated reporting is challenging for a number of different reasons. Legally, it touches on client confidentiality issues. Operationally, it would be difficult to provide counterparties with proprietary data if TRs have not onboarded them. We also believe that the report submitting entity should see only that “report” (message/submission) and not the outstanding position, which should only be visible to the entity responsible for reporting and/or the reporting party if they are onboarded.

<ESMA\_QUESTION\_TSTR\_7>

1. [: Which errors or omissions in reporting should, in your view, be notified to the competent authorities? Do you see any major challenges with such notifications to be provided to the competent authorities? If yes, please clarify your concerns.](#_Toc34747683)

<ESMA\_QUESTION\_TSTR\_8>

We would like to clarify that this topic is between the ERR and their NCA. Note: there is clarification needed as to whether the notification is to the NCA of the ERR or of the reporting counterparty.

Additionally, as part of our development process, we have schema validated all the records in the Rejection Statistics (FR7) TRACE report and have identified some that are not being sent out as they do not meet the ISO20022 schema. For example, in the schema the reporting counterparty and report submitting entity values can only be populated with a LEI. So, where counterparties submit incorrect trade records to our TR (e.g. blank field), we reject them correctly. However, we believe that these records should at a minimum be sent to ESMA via the TRACE statistics to show that the TR does receive erroneous submissions and rejects them correctly. In the absence of an XML schema update, the TRs are likely to continue to be unable to send these types of records.

<ESMA\_QUESTION\_TSTR\_8>

1. [: Do you see any issues with the approach outlined above? Do you see any other challenges with the reconciliation of trades which should be addressed?](#_Toc34747684)

<ESMA\_QUESTION\_TSTR\_9>

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<ESMA\_QUESTION\_TSTR\_9>

1. [: Do you see any other data quality issues which should be addressed?](#_Toc34747685)

<ESMA\_QUESTION\_TSTR\_10>

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<ESMA\_QUESTION\_TSTR\_10>

1. [: Do you agree with the proposed technical format, ISO 20022, as the format for reporting? If not, what other reporting format would you propose and what would be the benefits of the alternative approach?](#_Toc34747686)

<ESMA\_QUESTION\_TSTR\_11>

Yes, we agree. Standardization would help alignment with reporting and inter TR reconciliation. Nevertheless, ISO 20022 is a necessary but insufficient condition. Further alignment from a schema perspective would be necessary.

<ESMA\_QUESTION\_TSTR\_11>

1. [: Do you foresee any difficulties related to reporting using an ISO 20022 technical format that uses XML? If yes, please elaborate.](#_Toc34747687)

<ESMA\_QUESTION\_TSTR\_12>

Yes. We believe that implementing XML will be a complex task for many counterparties, but we believe that given clear guidelines and reasonable timeframes, this would allow for a successful implementation. Additionally, there should be some reserved elements (as blanks) that can be used by reporting counterparties to help with their own controls.

<ESMA\_QUESTION\_TSTR\_12>

1. [: Do you expect difficulties with the proposed allocation of responsibility for generating the UTI?](#_Toc34747688)

<ESMA\_QUESTION\_TSTR\_13>

Yes.

We are of the opinion that TRs should not generate UTIs for a variety of reasons:

* UTI is required for completion of a variety of post-trade activities such as confirmation and cashflow matching processes and therefore must be generated early in the trading process. Since regulatory reporting is not required until T+1, any delay in the generation of UTIs will result in post trade operational difficulties as well as ultimately reducing data quality and increasing operational risk.
* In transactions that are reported in multiple jurisdictions, there is no single TR to which the transaction is reported and so no single TR can be responsible for UTI generation.

Moreover, we would like clarity on Paragraph 76 as regards the definition of ‘’management company’’ and "fund it administers”.

<ESMA\_QUESTION\_TSTR\_13>

1. [: Is any further guidance needed with respect to the generation and exchange of the UTI for derivatives reported at position level?](#_Toc34747689)

<ESMA\_QUESTION\_TSTR\_14>

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<ESMA\_QUESTION\_TSTR\_14>

1. [: Is it clear which entity should generate the UTI for the derivatives that are executed bilaterally and brought under the rules of the market (‘XOFF’)? Are there any other scenarios where it may be unclear whether a derivative is considered to be “centrally executed”? Please list all such specific scenarios and propose relevant clarifications in this respect.](#_Toc34747690)

<ESMA\_QUESTION\_TSTR\_15>

We believe there needs to be more clarity with regards to central execution and, specifically, which leg of the transaction is the cleared leg. In most European clearing models (and as shown in Part V: Reporting to TRs – ETD contracts reporting in the EMIR Q&A) , there are two legs of one side of a cleared trade where the clearing member acts as principle: UTI 1 refers to the CCP facing clearing member and UTI 2 to the clearing member facing the client. The cleared transaction is the one between the CCP and the clearing member. We do not believe this is commonly understood in the market with regards to reporting and have seen cases where the ‘*clearing member to its client’* leg is marked as a cleared trade. This has data quality as well as regulator data access implications.

<ESMA\_QUESTION\_TSTR\_15>

1. [: Should the hierarchy on UTI generation responsibility include further rules on how to proceed when the responsibility for generating the UTI is allocated to an entity (e.g. trading venue or a CCP) from a jurisdiction that has not implemented the UTI guidance?](#_Toc34747691)

<ESMA\_QUESTION\_TSTR\_16>

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<ESMA\_QUESTION\_TSTR\_16>

1. [: Should the hierarchy on UTI generation responsibility include more explicit rules for the case of the delegated reporting? If so, propose a draft rule and its placement within the flowchart.](#_Toc34747692)

<ESMA\_QUESTION\_TSTR\_17>

We believe, and want to reiterate our answer to Q13, that UTIs are useful for a variety of post-trade processes and are needed on a real-time basis early in the post-trade process flow.

Additionally, the flowchart (paragraph 74-page 28) does not reflect the language of the text. Counterparties find it difficult to exchange UTIs.

<ESMA\_QUESTION\_TSTR\_17>

1. [: Which policy option presented in the flowchart do you prefer? Please elaborate on the reasons why in your reply.](#_Toc34747693)

<ESMA\_QUESTION\_TSTR\_18>

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<ESMA\_QUESTION\_TSTR\_18>

1. [: Is the additional clarification concerning the sorting of the alphanumerical strings needed? If so, which should method of sorting should be considered?](#_Toc34747694)

<ESMA\_QUESTION\_TSTR\_19>

DDRL remains agnostic to which method is chosen by ESMA, but we would recommend that ESMA prescribes the sorting method to minimize cost and increase certainty.

<ESMA\_QUESTION\_TSTR\_19>

1. [: Are there any other rules that should be added to the hierarchy on UTI generation responsibility? To the extent that such rules are not contradictory to the global UTI guidance, please provide specific proposals and motivate why they would facilitate the generation and/or exchange of the UTIs.](#_Toc34747695)

<ESMA\_QUESTION\_TSTR\_20>

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<ESMA\_QUESTION\_TSTR\_20>

1. [: Do you support including more specific rules provision on the timing of the UTI generation? If so, do you prefer a fixed deadline or a timeframe depending on the time of conclusion of the derivative? In either case, please specify what would be in your view the optimal deadline/timeframe. Please elaborate on the reasons why in your response.](#_Toc34747696)

<ESMA\_QUESTION\_TSTR\_21>

As addressed in Question 13, the exchange of the UTI is essential to many post-trade processes such as confirmation and cashflow matching. Therefore, it must be generated early in the process, well before it reaches the TR.

<ESMA\_QUESTION\_TSTR\_21>

1. [: Do you expect issues around defining when you will need to use a new UTI and when the existing UTI should be used in the report? Are there specific cases that need to be dealt with?](#_Toc34747697)

<ESMA\_QUESTION\_TSTR\_22>

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<ESMA\_QUESTION\_TSTR\_22>

1. [: Do you expect any challenges related to the proposed format and/or structure of the UTI? If yes, please elaborate on what challenges you foresee.](#_Toc34747698)

<ESMA\_QUESTION\_TSTR\_23>

Yes. As we have stressed above in Q13, UTI not only relates to reporting but to a variety of post-trade services, such as confirmation, collateral and other elements. A timely UTI generation before it reaches the TR is therefore critical.

We also believe that the standards should align with UTI guidance on a global level so that all jurisdictions can utilize the same UTI.

Additionally, we would note that there are UTIs on live contracts that do not meet the current format/structure rules (e.g. contain special characters not included in the current rules). Whilst we believe these should remain “as is” in order to minimize the costs/operational risk of updating UTIs, we request clarification on what explicitly should happen to the existing portfolio of UTIs that include such characters. Do these need to be effectively ‘corrected’ through the reporting of a new UTI or can modifications continue on the existing UTIs?

We believe it would be in the industry’s best interest to leave all existing contracts with the legacy UTIs as these are used in multiple jurisdictions as well as other post-trade processes and it would be extremely difficult to update these transactions in a “big bang” approach.

If left as is, how should this be handled in the portability process as these will need to be booked de novo at a new TR? This would require a ‘prior UTI field’ for use when original UTIs need to be referenced. Further, the ISO 20022 schemas would have to include an exception for these characters, potentially based on trade date.

<ESMA\_QUESTION\_TSTR\_23>

1. [: Do you have any comments concerning the use of ISINs as product identifiers under EMIR for the derivatives that are admitted to trading or traded on a trading venue or a systematic internaliser?](#_Toc34747699)

<ESMA\_QUESTION\_TSTR\_24>

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<ESMA\_QUESTION\_TSTR\_24>

1. [: Do you have any comments concerning the use of UPIs as product identifiers under EMIR? Should in your view UPI be used to identify all derivatives or only those that are not identified with ISIN under MiFIR? ?](#_Toc34747700)

<ESMA\_QUESTION\_TSTR\_25>

We would like to highlight that global consistency is imperative. Regulators should use the same product identification paradigm, either UPI or ISIN. We would encourage ESMA to discuss and agree on the standardization with other regulatory bodies before it reaches a firm conclusion for the EMIR Refit standards.

<ESMA\_QUESTION\_TSTR\_25>

1. [: Do you agree with the assessment of the advantages and disadvantages of the supplementary reporting of some reference data? Are there any other aspects that should be considered?](#_Toc34747701)

<ESMA\_QUESTION\_TSTR\_26>

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<ESMA\_QUESTION\_TSTR\_26>

1. [: Some of the instruments’ characteristics that are expected to be captured by the future UPI reference data are already being reported under EMIR, meaning that they have already been implemented in the counterparties’ reporting systems. If this data or its subset were continued to be required in trade reports under EMIR, what would be the cost of compliance with this requirement (low/moderate/high)? Please provide justification for your assessment. Would you have any reservations with regard to reporting of data elements that would be covered by the UPI reference data?](#_Toc34747702)

<ESMA\_QUESTION\_TSTR\_27>

We are of the opinion that it is not the responsibility and job of the TR to validate submitted reference data against the appropriate golden source. DDRL believes that users of the underlying fields that come directly from a golden source should get this information directly from the golden source (GLEIF for LEI and DSB for UPI.

<ESMA\_QUESTION\_TSTR\_27>

1. [: Do you foresee any issues in relation to inclusion in the new reporting standard that the LEI of the reporting counterparty should be duly renewed and maintained according to the terms of, any of the endorsed LOUs (Local Operating Units) of the Global Legal Entity Identifier System?](#_Toc34747703)

<ESMA\_QUESTION\_TSTR\_28>

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<ESMA\_QUESTION\_TSTR\_28>

1. [: Do you foresee any challenges related to the availability of LEIs for any of the entities included in the Article 3 of the draft ITS on reporting?](#_Toc34747704)

<ESMA\_QUESTION\_TSTR\_29>

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<ESMA\_QUESTION\_TSTR\_29>

1. [: Do you have any comments concerning ESMA approach to inclusion of CDEs into EMIR reporting requirements?](#_Toc34747705)

<ESMA\_QUESTION\_TSTR\_30>

We would support the approach.

<ESMA\_QUESTION\_TSTR\_30>

1. [: Is the list of Action types and Event types complete? Is it clear when each of the categories should be used?](#_Toc34747706)

<ESMA\_QUESTION\_TSTR\_31>

Please refer to our response below on Question 37.

<ESMA\_QUESTION\_TSTR\_31>

1. [: Is it clear what is the impact of the specific Action Types on the status of the trade, i.e. when the trade is considered outstanding or non-outstanding?](#_Toc34747707)

<ESMA\_QUESTION\_TSTR\_32>

We would like clarification as to the results of a counterparty utilizing the “error action” type. As an example: Party A and Party B have each properly submitted contracts against each other using UTI 123. Then Party A submits an “error” action type. It is clear that to submit any further messages on UTI 123, Party A would first have to utilize the new action type Revive (see more comments in question 37) but it is not clear what the restriction on Party B is. It does not appear that they can submit a Revive, but today the interpretation is that they cannot submit any further messages either. If the purpose of Revive is to solely allow Party A to fix the mistaken “error” submission and Party B is not allowed to submit the Revive as they did not submit the error, then the TR should not block further submissions by Party B post the error submission.

We would like clarification on how outstanding and non-outstanding trades are defined: specifically, contracts that have met their scheduled expiration date should no longer be considered outstanding and not included on the Trade State Report (TSR).

<ESMA\_QUESTION\_TSTR\_32>

1. [: Is it clear what are the possible sequences of Action Types based on the Figure 1?](#_Toc34747708)

<ESMA\_QUESTION\_TSTR\_33>

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<ESMA\_QUESTION\_TSTR\_33>

1. [: Are the possible combinations of Action type and Event type determined correctly? Is their applicability at trade and/or position level determined correctly?](#_Toc34747709)

<ESMA\_QUESTION\_TSTR\_34>

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<ESMA\_QUESTION\_TSTR\_34>

1. [: Is the approach to reporting Compression sufficiently clear? If not, please explain what should be further clarified or propose alternatives.](#_Toc34747710)

<ESMA\_QUESTION\_TSTR\_35>

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<ESMA\_QUESTION\_TSTR\_35>

1. [: Do you agree with the proposal to include two separate action types for the provision of information related to the valuation of the contract and one related to margins?](#_Toc34747711)

<ESMA\_QUESTION\_TSTR\_36>

Yes, we are fully supportive of separate action types.

<ESMA\_QUESTION\_TSTR\_36>

1. [: Do you agree with the proposal to include the Action Type “Revive”? Are there any further instances where this Action Type could be used? Are there any potential difficulties in relation to this approach?](#_Toc34747712)

<ESMA\_QUESTION\_TSTR\_37>

DDRL is fully supportive of the Revive action type in order to minimize the operational challenges resulting from incorrectly generated error reports, which result in forcing both counterparties to re-report using new UTIs. This is especially challenging as the UTI is potentially used in other post-trade processes, including confirmation and collateral processing and will mean that the firms will need to modify multiple submissions without this facility.

However, we believe that ESMA should reconsider the short-form nature of the Revive message: including only action type, ID of the reporting counterparty, ID of the other counterparty, ID of the report submitting entity. This methodology requires the TR to determine the details of the existing reported contract as it was two transactions prior (the state immediately before the error). This state may be in a previous quality (e.g. RTS 2.0) and not the current quality and therefore would not pass the required validations for ingestion and TRACE reporting. Furthermore, the TR may not have the trade details to revive if the client has ported from another TR and the trade being revived was not ported because it was not outstanding at the time. DDRL believes that the report submitting entity should use the Revive action type as it would use Modify, restating the details as they should be reported at that time.

Additionally, ESMA should clarify whether either of the counterparties to the transaction can submit the Revive or only the party who reported the Error action type can generate the Revive. For example, if Party A submits an Error action type on a given UTI, it will disappear from their trade state report. However, if Party B has submitted a matching transaction facing party A on the same UTI, their submissions would be blocked due to the Error, yet remain on their trade state report. If ESMA adopts the complete restatement methodology above, then it is necessary for the Revive to be submitted on behalf of party A, regardless of the report submitting entity.

DDRL also believes that further clarification is required around the use of Revive as it relates to UTIs that have been terminated (action type C). If a participant wants to correct any previously misreported details using action type R (correction), the reported correction should appear on the trade activity report, but the position in question should not reappear on the trade state report. If the participant wants to reactivate the transaction for inclusion on the TSR and the reconciliation process, then the participant must utilize the Revive action type with a full restatement. This clarification will be useful so that participants can make the appropriate decision as to the action type needed.

<ESMA\_QUESTION\_TSTR\_37>

1. [: Is the approach to reporting at position level sufficiently clear? If not, please explain what should be further clarified?](#_Toc34747713)

<ESMA\_QUESTION\_TSTR\_38>

No. We would prefer clearer guidance on the mechanism through which counterparties agree on what to do. Paragraph 182 should clarify the decision-making process between counterparties. The lack of a decision may incur reconciliation/pairing challenges.

In fact, we would suggest there is a default value and no agreement should be needed between counterparties. This process will ensure better pairing/reconciliation results and will reduce complexity.

<ESMA\_QUESTION\_TSTR\_38>

1. [: Are all reportable details (as set out in the Annex to the draft RTS on details of the reports to be reported to TRs under EMIR (Annex IV)) available for reporting at position level? If not, please clarify which data elements and why.](#_Toc34747714)

<ESMA\_QUESTION\_TSTR\_39>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_39>

1. [: Are there any products other than derivatives concluded on a venue and CfDs that may need to be reported at position level?](#_Toc34747715)

<ESMA\_QUESTION\_TSTR\_40>

Yes, equity portfolio swaps.

<ESMA\_QUESTION\_TSTR\_40>

1. [: Do you have any general comments regarding the proposed representation of the reporting requirements in the table of fields? Please use the separate excel table to provide comments on the specific fields in the table.](#_Toc34747716)

<ESMA\_QUESTION\_TSTR\_41>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_41>

1. [: Is the proposed definition adequate? Can you think of any cases where further clarification would be needed or further problems might be expected? What would you expect to be reported as effective date when the trade is not confirmed?](#_Toc34747717)

<ESMA\_QUESTION\_TSTR\_42>

We agree with the definitions proposed.

<ESMA\_QUESTION\_TSTR\_42>

1. [: Is the proposed definition adequate? Can you think of any cases where further clarification would be needed, or further problems might be expected? What would you expect to be reported as maturity date when the trade is not confirmed?](#_Toc34747718)

<ESMA\_QUESTION\_TSTR\_43>

We agree with CDE and we would encourage ESMA to use the expiration date to determine whether the trade is outstanding or not.

<ESMA\_QUESTION\_TSTR\_43>

1. [: Do you agree with the proposed definition? Are there any other aspects that should be covered in the technical standards?](#_Toc34747719)

<ESMA\_QUESTION\_TSTR\_44>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_44>

1. [: Do you agree with the proposed definition? Are there any other aspects that should be covered in the technical standards?](#_Toc34747720)

<ESMA\_QUESTION\_TSTR\_45>

We believe the reporting timestamp should not be included in the inbound message from the report submitting entity. It is possible that a report submitting entity could populate this value with a timestamp that is significantly different to the actual time they made the submission, avoiding the potential control-related nature of this information. Instead, the TRs should create and record the reporting timestamp based upon the time the submission was received.

<ESMA\_QUESTION\_TSTR\_45>

1. [: Do you foresee any difficulties with the reporting of Event date? Please flag these difficulties if you see them.](#_Toc34747721)

<ESMA\_QUESTION\_TSTR\_46>

Consistency with SFTR is critical as the event date is where modification has occurred under SFTR. Additionally, ensuring the processing of trade state is driven by the sequence of the submissions and not the event date, as it is under SFTR, is critical to ensure the action type choreography is not compromised.

Please note that there is an issue when reporting on an event “today” (trade date) that is effective at a later date. The classic example is a partial novation. If the current notional on a contract were 100M at the beginning of the day and that day the parties agreed to a partial novation of 20M effective the following day but sent in their messages today, what should the notional on the trades state report be today, 100M or 80M? In order to report the novation, the participant would report the modification today with a remaining notional of 80M. The alternative would be for the participants to hold the transactions until the event date is reached. This would be a significant deviation from current and proposed processes.

<ESMA\_QUESTION\_TSTR\_46>

1. [: In relation to the format of the “client code”, do you foresee any difficulties with reporting using the structure and format of the code as recommended in the CDE guidance? If you do, please specify the challenges.](#_Toc34747722)

<ESMA\_QUESTION\_TSTR\_47>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_47>

1. [: Alternatively, would you prefer to replace the internal client codes with national identification number as defined in MIFIR transaction reporting? Please specify the advantages and disadvantages of both alternatives.](#_Toc34747723)

<ESMA\_QUESTION\_TSTR\_48>

No. We recommend internal client codes. We would strongly recommend to ESMA to avoid using national identification numbers as defined in MiFIR identification. National identification numbers would increase industry complexity and cost as the classification of data will have to change to include personal data, having implications with regards to EU rules around privacy (GDPR), as referenced to in the preamble of MiFIR: ‘*Any exchange or transmission of information by competent authorities should be in accordance with the rules on the transfer of personal data as laid down in Directive 95/46/EC. Any exchange or transmission of information by ESMA should be in accordance with the rules on the transfer of personal data as laid down in Regulation (EC) No 45/2001, which should be fully applicable to the processing of personal data for the purposes of this Regulation.* ‘

<ESMA\_QUESTION\_TSTR\_48>

1. [: Do you agree on the proposal to include this process in the draft RTS on procedures for ensuring data quality?](#_Toc34747724)

<ESMA\_QUESTION\_TSTR\_49>

Yes. We believe clear requirements provided in the RTS would be an improvement on the current Q&A guidelines.

<ESMA\_QUESTION\_TSTR\_49>

1. [: Do you agree that one month is the good timespan between the notification by the counterparty to the TR the corporate restructuring event and the actual update of the LEI by the TR?](#_Toc34747725)

<ESMA\_QUESTION\_TSTR\_50>

We are of the opinion that the Global LEI Foundation (GLEIF) should be the source of this information and updates should come from GLEIF. TRs would need proof of the information accuracy in order to fulfil their roles and should not be responsible for this. The updated information is not based on date of notification alone but on date of notification and receiving evidence. We would also invite you to consider our response to Question 105.

<ESMA\_QUESTION\_TSTR\_50>

1. [: Do you agree on the fact that transactions that have already been terminated at the date when the TR is updating the LEIs should be included in the process?](#_Toc34747726)

<ESMA\_QUESTION\_TSTR\_51>

Yes, we would agree with this. In fact, alignment with SFTR is of critical importance in this area.

<ESMA\_QUESTION\_TSTR\_51>

1. : [In the case of transactions where an impacted entity is identified in any role other than the reporting counterparty (e.g. Counterparty 2, Broker etc), when the TRs should inform the reporting counterparties of the change in the identifier of that entity?](#_Toc34747727)

<ESMA\_QUESTION\_TSTR\_52>

There are three distinct functions associated with the updating of these entities in the TR:

* The identification and validation of entities to update;
* The actual update of the information;
* The distribution of said update information

We believe that the first step is the responsibility of the GLEIF and should not be done by the TRs. Please see question 105 for a more detailed response. The actual update of the information can be done by the TR as a direct result of receiving the updated information from GLEIF.

We believe the dissemination of the information would be rather problematic. Many ERR’s have delegated their reporting, either voluntarily or through the new requirements in EMIR REFIT. As such, they will not be onboarded to a TR, meaning the TR is unable to communicate with them. Responding to the report submitting entity is not useful because they are not actually the ones responsible for the update. The TR could post information on a publicly available website, but then all parties would have to go to each TR and review on a daily basis. Additionally, there could be unintended disclosure as the only time the TR would create a notification is when the party is listed in a submitted contract and this should be confidential information. We therefore believe that the general information associated with a record being updated should be shown on a report to the reporting parties and entities responsible for reporting only if they are onboarded to the TR’s platform.

<ESMA\_QUESTION\_TSTR\_52>

1. [: Which entity should identify all transactions that should be amended due to a partial modification of the identifier of an entity?](#_Toc34747728)

<ESMA\_QUESTION\_TSTR\_53>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_53>

1. [: In cases where the counterparty is not responsible and legally liable for reporting transactions, which entity should be in charge of notifying the TR and what should be the related requirements between the counterparty itself and the entity who is responsible and legally liable for the reporting?](#_Toc34747729)

<ESMA\_QUESTION\_TSTR\_54>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_54>

1. [: Do you see any other challenges related to LEI updates due to mergers and acquisitions, other corporate restructuring events or where the identifier of the counterparty has to be updated from BIC (or other code) to LEI because the entity has obtained the LEI?](#_Toc34747730)

<ESMA\_QUESTION\_TSTR\_55>

With regards to changes in LEIs related to mergers, DDRL believes that the TR’s is the incorrect place to initiate and/or communicate changes to a reported entity’s LEI.

The Global LEI System (GLEIS), governed by GLEIF and operated by over 35Local Operating Units (LOUs) is the appropriate place to process this information, so that it can be updated following a consistent and regulated set of validations (at the LOU), based on GLEIF approved processes and applied globally across all jurisdictions. Additionally, the communication of this information can be done to all market participants via changes to the GLEIF’s LEI file.

It is DDRL’s belief that static data associated with standard identifiers such as LEI or UPI should be validated, updated and communicated by the central authority associated with the static data, such as the GLEIF and DSB. This will ensure global consistency and quality and put the responsibility where the expertise is greatest. We understand that changes in procedures such as this require the agreement of the global centralized facilities and the relevant stakeholders (regulators, market participants, LOUs, etc.) DDRL recommends that these discussions take place as soon as practical and a realistic time horizon is considered.

Additionally, a TR should not be responsible for notifying the reporting counterparties or entities responsible for reporting if they are not participants in the TR. If required, a TR could post on a public website, changes which they processed, however that could result in the disclosure that a given entity has open derivative transactions, which might in turn be a confidentiality breach and/or result in that party receiving unsolicited outreach from other financial parties.

With regards to changes in LEI related to corporate restructuring, for example the transfer of a given set of transactions from one LEI to another, DDRL believes that this should not be a process that is updated by the TRs. Both the old and the new LEI have records published by the GLEIF and therefore the transaction in question is a novation and should be reported as such by the relevant parties to the transactions. It is not something that should be updated and/or communicated by the TRs.

Finally, as an interim step, any timeframes, such as the 30 days, need to be based upon the time that proper evidence is supplied and not the simple notification of a merger. The TR needs to review and often translate documents that evidence the merger and this process requires legal attention and can involve several conversations with the presenting entity. In the case of mandatory delegated reporting, this may be even more time consuming.

<ESMA\_QUESTION\_TSTR\_55>

1. [: In relation to the field “Beneficiary ID”, do you have any concerns regarding the elimination of this field? Based on your reporting experience, which trading scenario may be missed if this field is eliminated, with exception of the cases explained in Q&A General Question 1 (c)?](#_Toc34747731)

<ESMA\_QUESTION\_TSTR\_56>

We agree with the approach of eliminating the field.

<ESMA\_QUESTION\_TSTR\_56>

1. [: In relation to the field “Trading capacity”, do you have any concerns regarding the elimination of this field? Based on your reporting experience, which trading scenario may be missed if this field is eliminated?](#_Toc34747732)

<ESMA\_QUESTION\_TSTR\_57>

We agree with the approach of eliminating the field.

<ESMA\_QUESTION\_TSTR\_57>

1. [: In relation to the “Direction of trade”, do you foresee any difficulties with the adoption of CDE guidance approach? Please provide a justification for your response.](#_Toc34747733)

<ESMA\_QUESTION\_TSTR\_58>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_58>

1. [: Are there any products for which the direction of the trade cannot be determined according to the rules proposed in the draft technical standards (based on the CDE guidance)? If so, please specify the products and propose what rules should be applied.](#_Toc34747734)

<ESMA\_QUESTION\_TSTR\_59>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_59>

1. [: Do you foresee any difficulties with reporting in case the value “Intent to clear” is not included in the list of allowable values for Field « Cleared » ? Please motivate your answer.](#_Toc34747735)

<ESMA\_QUESTION\_TSTR\_60>

Indeed, this may create multi-jurisdictional problems, therefore, we would like to see harmonization with CDEs.

<ESMA\_QUESTION\_TSTR\_60>

1. [: Do you have any other comments concerning the fields related to clearing?](#_Toc34747736)

<ESMA\_QUESTION\_TSTR\_61>

Yes. We would reiterate the point we make in Q15. We believe there is a general misunderstanding on which legs need to be reported as cleared transactions, where the clearing member acts as principle on both legs. This leads to general confusion on reportable cleared transactions with several counterparties identifying the clearing member to their client leg as cleared. Clarification should be provided by ESMA on which leg needs to be identified as a cleared trade.

<ESMA\_QUESTION\_TSTR\_61>

1. [: The timely confirmation requirement applies only to non-cleared OTC contracts. However, under the rules in force, the confirmation timestamp and confirmation means are reported also for ETD derivatives by some counterparties, leading to problems with reconciliation of the reports. ESMA proposes to clarify that the abovementioned fields should be reported only for OTC non-cleared derivatives. Do you agree with the proposed approach for clarifying the population of the fields “Confirmation timestamp” and “Confirmation means”? Please motivate your response.](#_Toc34747737)

<ESMA\_QUESTION\_TSTR\_62>

We would prefer some further clarity on this point. ESMA should aim at aligning its approach with the global regulatory CDE guidance.

<ESMA\_QUESTION\_TSTR\_62>

1. [: Do you have any comments concerning the fields related to settlement?](#_Toc34747738)

<ESMA\_QUESTION\_TSTR\_63>

We agree with the approach, but we strongly encourage ESMA to avoid deviation from the CDE guidelines with regards to the settlement location. We believe this approach provides useful information and any deviation from the CDE guidance would add cost and complexity for counterparties with multi-jurisdiction reporting requirements and would hinder data consolidation across jurisdictions.

<ESMA\_QUESTION\_TSTR\_63>

1. [: Do you have any comments concerning the proposed way of reporting of the trading venue?](#_Toc34747739)

<ESMA\_QUESTION\_TSTR\_64>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_64>

1. : [Do you foresee any difficulties related to the proposal for reporting the data elements related to the regular payments?](#_Toc34747740)

<ESMA\_QUESTION\_TSTR\_65>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_65>

1. [: Do you agree to leave the valuation fields unchanged? If not, what changes do you propose?](#_Toc34747741)

<ESMA\_QUESTION\_TSTR\_66>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_66>

1. [: Do you agree that the contract value is most relevant for authorities when reported as the IFRS 13 Fair Value without applying valuation adjustments?](#_Toc34747742)

<ESMA\_QUESTION\_TSTR\_67>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_67>

1. [: Do you anticipate practical issues with reporting IFRS 13 Fair Value without applying valuation adjustments? If so, what measures can be taken to address these or what alternative solutions can be considered (that would ensure consistent reporting of valuation by the counterparties)?](#_Toc34747743)

<ESMA\_QUESTION\_TSTR\_68>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_68>

1. [: Is more guidance needed for the determination of the “valuation type”, e.g. similar to the guidance provided in the CDE guidance on page 41-42?](#_Toc34747744)

<ESMA\_QUESTION\_TSTR\_69>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_69>

1. [: Do you agree that the fields IM/VM Posted/Received fields are provided in with both a pre- and post-haircut value?](#_Toc34747745)

<ESMA\_QUESTION\_TSTR\_70>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_70>

1. [: Do you agree to change the format of the collateralisation field to one that is compatible with single sided reporting?](#_Toc34747746)

<ESMA\_QUESTION\_TSTR\_71>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_71>

1. [: Do you agree that the fields “Counterparty rating trigger indicator” and “Counterparty rating threshold indicator” are added?](#_Toc34747747)

<ESMA\_QUESTION\_TSTR\_72>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_72>

1. [: Do you agree that a single A rating is the most relevant trigger for the “Counterparty rating threshold indicator” field?](#_Toc34747748)

<ESMA\_QUESTION\_TSTR\_73>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_73>

1. [: Is it possible to separate the value of a collateral portfolio exclusively for derivatives?](#_Toc34747749)

<ESMA\_QUESTION\_TSTR\_74>

It is our understanding that the collateral portfolio code (element 22 in table 2) can consist of multiple portfolio codes, depending on the nature of the collateral agreements between various parties. Therefore, DDRL requests definitive guidance on how firms should report these as multiple codes.

Moreover, the TSR provided to ESMA includes collateral valuation elements at the UTI level.  While it is logical to list the appropriate collateral portfolio codes at the UTI level, it is duplicative to list each element on the TSR.  This becomes even more complicated in the situation where there is more than one portfolio code listed. This would make the TR potentially responsible for adding together the portfolio values for each element, which could also include currency conversions. We believe that ESMA should instead consider a report listing each portfolio code and the related elements based on the LEI.

<ESMA\_QUESTION\_TSTR\_74>

1. [: Are there any limitations with regard to ESMA’s proposed adjustments to these EMIR reporting fields? If so please specify what the limitations are and how they could be overcome?](#_Toc34747750)

<ESMA\_QUESTION\_TSTR\_75>

We note that ESMA does not permit prices & rates in decimal notation, instead mandating participants report with percentage only. This is a deviation from the CDE. We believe this will add complexity and lead to potential errors if other jurisdictions adopt the CDE, including the decimal notation. It is also our experience that many trading systems provide pricing using this notation. Therefore, we recommend implementation of the decimal price and rate notation, in line with the CDE.

<ESMA\_QUESTION\_TSTR\_75>

1. [: Do you think that there are other additional fields which would be necessary to fully understand the price of a derivative?](#_Toc34747751)

<ESMA\_QUESTION\_TSTR\_76>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_76>

1. [: Are there any further pieces of clarification in relation to these fields (beyond the information in the definitions in the annex) which could be added to the amended standards to ensure reporting is done in a consistent manner? If so, please expand on how ESMA can ensure the standards are clear to reporting entities and reduce ambiguity with regard to what should be reported for different fields.](#_Toc34747752)

<ESMA\_QUESTION\_TSTR\_77>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_77>

1. [: Do you agree with the clarification in relation to the approach to populating fields which require reference to a fixed rate? If you believe that an alternative approach would be more effective and ensure a consistent approach is followed by reporting counterparties, please explain that approach.](#_Toc34747753)

<ESMA\_QUESTION\_TSTR\_78>

We would recommend an approach where consistency is ensured at a global level and between jurisdictions The CPMI-IOSCO Guidance on CDE, especially on points 2.55 and 2.56, offer various choices for the fixed rate notation and points out that ‘’ [t]he above allowable values might be restricted based on jurisdictional requirements e.g. certain jurisdictions might require the value to be reported as a decimal instead of percentage’’. Nevertheless, we are of the opinion that the CPMI-IOSCO guidelines allowing for jurisdictions to have different approaches effectively allows for reporting differently. We believe ESMA should coordinate their approach with other jurisdictions and be prescriptive of the actual way for allowable values for fixed rate notations.

<ESMA\_QUESTION\_TSTR\_78>

1. [: Should there be any further guidance provided in relation to the population of the ‘notional’ field on top of the content of the CDE guidance? What should this guidance say? Do you foresee any difficulties with reporting of notional in line with the CDE guidance?](#_Toc34747754)

<ESMA\_QUESTION\_TSTR\_79>

We would recommend alignment with the CDE Call and Put amount naming convention, which we feel is clearer, rather than through a generic notional leg field which could confuse and lead to data quality issues. Additionally, please see our answer to Q83.

<ESMA\_QUESTION\_TSTR\_79>

1. [: Is the guidance provided in ESMA Q&A TR 41 clear? Should any further guidance be provided in addition to ESMA Q&A TR 41?](#_Toc34747755)

<ESMA\_QUESTION\_TSTR\_80>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_80>

1. [: Do you foresee any challenges with the interpretation of the EMIR data should the fields “Quantity” and “Price multiplier” be removed? In case these fields are maintained, should there be further clarity as to what should be reported therein? What should this guidance say? Should this guidance be per asset class? Should this guidance distinguish between OTC and ETD derivatives?](#_Toc34747756)

<ESMA\_QUESTION\_TSTR\_81>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_81>

1. [: Do you foresee any challenges with reporting of the Total notional quantity?](#_Toc34747757)

<ESMA\_QUESTION\_TSTR\_82>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_82>

1. [: Which of the two described approaches to reporting the notional amount schedules is preferable? Please motivate your view.](#_Toc34747758)

<ESMA\_QUESTION\_TSTR\_83>

We would like some further clarification, especially as regards paragraph 284. Alignment with other jurisdictions is critical as all jurisdictions should follow the same schedule to ensure global consistency on methods. DDRL does not have a specific view on the method, so long as the method chosen is consistent with other jurisdictions. If the notional schedule is selected, clarification is required as to what notional is to be reported on the TSR and how updates related to the change in notional per the schedule are made. Additionally, this process will likely require the creation of additional “supplemental reports” (unless all participant reporting is in xml) to show the repetitive data points for the reconciliation process.

<ESMA\_QUESTION\_TSTR\_83>

1. [: Do you foresee challenges in relation to the proposed approach for reporting of Delta? Are there any challenges regarding the reporting of Delta every time there is a valuation update?](#_Toc34747759)

<ESMA\_QUESTION\_TSTR\_84>

We strongly believe that if Delta is to be reported, it needs to be reported only with the valuation updates and not as part of the notional elements in the record. Like valuation, it should not be a reconcilable field, as it is an “output” field based on the contract details plus models, curves, and cut-off times. If it is not to be reconciled, we seek clarification as to whether counterparty A’s value for this field should be shown to its counterparty.

<ESMA\_QUESTION\_TSTR\_84>

1. [: Do you agree with the proposal for reporting of attachment and detachment point?](#_Toc34747760)

<ESMA\_QUESTION\_TSTR\_85>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_85>

1. [: Do you consider that the fields Attachment point and Detachment point serve to report additional data or are applicable to other products than those foreseen in the CDE guidance?](#_Toc34747761)

<ESMA\_QUESTION\_TSTR\_86>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_86>

1. [: Do respondents believe that any of these new fields would be problematic to report? If so, please explain why.](#_Toc34747762)

<ESMA\_QUESTION\_TSTR\_87>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_87>

1. [: Do you foresee any difficulties related to reporting of the additional fields for package transactions? Please motivate your reply.](#_Toc34747763)

<ESMA\_QUESTION\_TSTR\_88>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_88>

1. [: Do you foresee any difficulties related to the reporting of prior UTI? Please motivate your reply.](#_Toc34747764)

<ESMA\_QUESTION\_TSTR\_89>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_89>

1. [: Do you foresee any difficulties related to the reporting of PTRR ID? Please motivate your reply. Are you aware of alternative solutions that would enable regulators to link derivatives entering into and resulting from the same post-trade risk reduction event? Please provide details of such solutions.](#_Toc34747765)

<ESMA\_QUESTION\_TSTR\_90>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_90>

1. [: Do you foresee any difficulties related to the generation and reporting of the PTRR ID for cleared derivatives? Please motivate your reply.](#_Toc34747766)

<ESMA\_QUESTION\_TSTR\_91>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_91>

1. [: Do you see a need for further adjustment of the reporting requirements to allow for effective reporting of PTRR events, in addition to the ones proposed in the section 4.4.11.3?](#_Toc34747767)

<ESMA\_QUESTION\_TSTR\_92>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_92>

1. [: Do you foresee any difficulties related to the reporting of position UTI in the reports pertaining to the derivatives included in a position? Please motivate your reply.](#_Toc34747768)

<ESMA\_QUESTION\_TSTR\_93>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_93>

1. [: Do you foresee any difficulties related to the reporting of any of the additional data elements related to custom baskets? Please motivate your reply.](#_Toc34747769)

<ESMA\_QUESTION\_TSTR\_94>

These fields require additional discussion and planning. In many custom baskets, the weightings are frequently adjusted and will create a significantly increased burden in reporting and related reconciliation. The reconciliation of a “field” that can contain multiple values causes complications in the reconciliation process and clear guidance from ESMA regarding the inter-TR reconciliation related issues is sought.

<ESMA\_QUESTION\_TSTR\_94>

1. [: With regard to reporting of delivery interval times, which alternative do you prefer: (A) reporting in UTC time or (B) reporting in local time? Please provide arguments.](#_Toc34747770)

<ESMA\_QUESTION\_TSTR\_95>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_95>

1. [: Are you currently reporting derivatives on crypto-assets under EMIR? If so, please describe how they are reported. In particular, please clarify how do you identify and classify these derivatives in the reports under EMIR?](#_Toc34747771)

<ESMA\_QUESTION\_TSTR\_96>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_96>

1. [: Would you see the need to add further reporting details or amend the ones envisaged in the table of fields (see Annex V) in order to enable more accurate, comprehensive and efficient reporting of derivatives on crypto-assets?](#_Toc34747772)

<ESMA\_QUESTION\_TSTR\_97>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TSTR\_97>

1. [: Do you support the proposal that reports pertaining to the derivatives outstanding on the reporting start date should be updated in order to ensure consistent level of quality of data and limit the operational challenges?](#_Toc34747773)

<ESMA\_QUESTION\_TSTR\_98>

Yes. We support that trades should continue to be updated to the latest level of quality to prevent future issues with portability and reconciliation. As regards portability, we believe that to support portability, all ported trades need to be at the most current reporting quality at the time of the port.

<ESMA\_QUESTION\_TSTR\_98>

1. [: Do you foresee challenges with the update of reports pertaining to outstanding derivatives in line with the revised requirements? If so, please describe these challenges. In particular, if they relate to some of the newly added or amended reporting fields, please mention these fields.](#_Toc34747774)

<ESMA\_QUESTION\_TSTR\_99>

Yes, we would see issues of data quality, performance, rejections and inter-TR reconciliation emerging from these revised requirements. Based on our experience with the upgrade from EMIR RTS in November 2017, without clear guidance as to submission requirements, the reconciliation process (both intra-TR and inter-TR) will suffer especially when one counterparty is reporting one version of data quality and the other reports a different version. We believe that ESMA should provide sufficient time between the introduction of new guidelines for new contracts and the incorporation of new fields into the reconciliation process, as it would greatly reduce the number of reconciliation breaks, which do not accurately reflect a difference in details but rather a difference in the timing of the reporting.

<ESMA\_QUESTION\_TSTR\_99>

1. [: Do you think that additional time after the reporting start date should be granted for the counterparties to update the reports pertaining to the outstanding derivatives? If so, how much additional timeline would be required?](#_Toc34747775)

<ESMA\_QUESTION\_TSTR\_100>

Yes, we believe that a phase-in period would be necessary for all trades to be updated. Also, we would need clarification on the treatment of the transactions that had not been updated.

As regards, the additional timeline, we would support the idea of 12-month phase-in period.

<ESMA\_QUESTION\_TSTR\_100>

1. [: Do you agree with the proposed timelines for implementation, i.e. 18 months from the entry into force of the technical standards?](#_Toc34747776)

<ESMA\_QUESTION\_TSTR\_101>

ESMA should try to ensure that it builds a logical sequence and enough flexibility into this timeframe in order to address a range of issues which could hinder effective implementation. As the experience of COVID-19 shows, flexibility must be embedded into the rules allowing enough time for the market to adjust. The implementation of the UPI by G20 jurisdictions, events such as the implementation of Brexit are further proof of the need for this flexibility in the future. Based on our experience, we would encourage ESMA and the NCAs to find ways to be able to amend timeframes depending on the circumstances. Additionally, it’s critical that the reporting has an effective date corresponding to a Monday, so that relevant systems and operational changes can take place over a weekend.

<ESMA\_QUESTION\_TSTR\_101>

1. [: Do you agree with the proposed framework for verification of data submission? Please detail the reasons for your response.](#_Toc34747777)

<ESMA\_QUESTION\_TSTR\_102>

No. We need clarity on paragraph 350 as it and its underlying implications remain legally challenging. Paragraph 350 states that TRs are responsible for ‘’completeness and correctness of data on the TRs’’. Moreover, in accordance with Article 78(9) EMIR, as amended by EMIR REFIT, TRs are required to have in place “procedures to verify the completeness and correctness of the data reported”. The empowerment under Article 78(10) EMIR, as amended by EMIR REFIT, specifically establishes which aspects the procedures should cover, namely “the procedures to be applied by the trade repository to verify the compliance by the reporting counterparty or submitting entity with the reporting requirements and to verify the completeness and correctness of the data reported under Article 9.“

The reality is that TRs do not have sight of the counterparties’ books and records as to be held responsible for completeness and correctness of the data. A TR can only apply a series of logical validations and checks on the data it is receiving but cannot possibly know whether all the required reports were provided and/or whether the content of those reports accurately reflect the transactions concluded by the counterparties. The completeness and correctness of data submitted can only truly be ensured by the reporting counterparties.

Paragraph 351(c) is about explicit permissioning and states that the report submitting entity should identify whether the submission is made on behalf of the reporting counterparty or the entity responsible for reporting. We would appreciate clarification as to when a submission is made on behalf of the reporting counterparty and not the ERR. It is our belief that the party that should determine who can submit the required messages would be the ERR and not the reporting counterparty.

In paragraph 352, we firmly believe rejections should only be communicated real-time to the report-submitting counterparty, instead of the entire chain. The ERR can be provided with this information via a daily report but has no need of real-time updates of rejected submissions.

Finally, we believe that schemas must be finalized as soon as possible after the technical standards are approved and published in the Official Journal of the European Union to ensure the industry and Trade Repositories have sufficient time to implement the new schema.

<ESMA\_QUESTION\_TSTR\_102>

1. [: Are there any additional aspects that would need to be clarified or specified with regards to the verification of logical integrity of submissions with different Action types such as “Revive”? Please detail the reasons for your response.](#_Toc34747778)

<ESMA\_QUESTION\_TSTR\_103>

We believe clarity on Revive is necessary. Once the transaction is errored, it can be revived so long as there is a complete reinstation of the trade (as if it was new).

If a report submitting entity submits a Revive action type on behalf of a given party and UTI and the previous submission had not been the ERROR action type, the TR should reject the submissions with an appropriate error of the logical validation type that states that Revive action type may only be used in conjunction with the ERROR action type.

<ESMA\_QUESTION\_TSTR\_103>

1. [: Do you consider that the proposed procedure will allow the TRs to verify the compliance by the reporting counterparty or the submitting entity with the reporting requirements, and the completeness and correctness of the data reported under Article 9 EMIR? If not, what other aspects should be taken into account? Please detail the reasons for your response.](#_Toc34747779)

<ESMA\_QUESTION\_TSTR\_104>

Please see our response to question 102.

No responsibility can be reasonably allocated to the TR for checking the portfolio of activity for completeness, only the completeness of all fields that need to be reported for a trade.

<ESMA\_QUESTION\_TSTR\_104>

1. [: Are there any additional aspects that would need to be clarified or specified with regards to the updates to the LEI that are to be performed by the TRs? Please detail the reasons for your response.](#_Toc34747780)

<ESMA\_QUESTION\_TSTR\_105>

With regards to changes in LEIs related to mergers, DDRL believes that the TR is the incorrect place to initiate and/or communicate changes to a reported entity’s LEI.

The Global LEI System (GLEIS), governed by GLEIF and operated by over 35Local Operating Units (LOUs) is the appropriate place to process this information, so that it can be updated following a consistent and regulated set of validations (at the LOU), based on GLEIF approved processes and applied globally across all jurisdictions. Additionally, the communication of this information can be done to all market participants via changes to the GLEIF’s LEI file.

It is DDRL’s belief that static data associated with standard identifiers such as LEI or UPI should be validated, updated and communicated by the central authority associated with the static data, such as the GLEIF and DSB. This will ensure global consistency and quality and put the responsibility where the expertise is greatest. We understand that changes in procedures such as this require the agreement of the global centralized facilities and the relevant stakeholders (regulators, market participants, LOUs, etc.) DDRL recommends that these discussions take place as soon as practical and a realistic time horizon is considered.

Additionally, a TR should not be responsible for notifying the reporting counterparties or entities responsible for reporting if they are not participants in the TR.

With regards to changes in LEI related to corporate restructuring, for example the transfer of a given set of transactions from one LEI to another, DDRL believes that this should not be a process that is updated by the TRs. Both the old and the new LEI have records published by the GLEIF and therefore the transaction in question is a novation and should be reported as such by the relevant parties to the transactions. It is not something that should be updated and/or communicated by the TRs.

Finally, as an interim step, any timeframes, such as the 30 days, needs to be based upon the time that proper evidence is supplied and not the simple notification of a merger. The TR needs to review and often translate documents that evidence the merger and this process requires legal attention and can involve several conversations with the presenting entity. In the case of mandatory delegated reporting, this may be even more time consuming.

On paragraph 359 (c), for mergers/acquisitions we believe there is no need for a special process but rather a general communication on the webpage.

Finally, on paragraph 359 (d), and in order to align with SFTR, we would like guidance on which reporting log TRs should provide. <ESMA\_QUESTION\_TSTR\_105>

1. [: Are there any other aspects that should be considered with regards to the scope and start of the reconciliation process? Please detail the reasons for your response.](#_Toc34747781)

<ESMA\_QUESTION\_TSTR\_106>

Yes. We would like clarification as to the purpose of the 6pm cut-off for reconciliation, as opposed to the end of the day (midnight). By requiring 6pm as a final deliverable timeframe, the interim timeframes (for each step in the process) must be condensed. Because of the involvement of multiple TRs, any one of them could have a temporary system issue causing them to miss a deadline. The other TRs would have to “continue” the process without their data, causing more false positives on the reconciliation report. We recommend midnight as the cut-off time, as it will provide a greater operational cushion for the interim steps. Additionally, we believe that the TRs and ESMA should discuss and determine intermediate timeframes, agreed as realistic, before there is a determination of a final timeline. The reality is the process involves multiple steps, some of which are in the control of a given TR (e.g. the creation of its reports) and others that are not but will require inter-TR cooperation.

<ESMA\_QUESTION\_TSTR\_106>

1. [: Are there any aspects related to the intra-TR reconciliation that need to be clarified? Please detail the reasons for your response.](#_Toc34747782)

<ESMA\_QUESTION\_TSTR\_107>

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<ESMA\_QUESTION\_TSTR\_107>

1. [: What additional aspects with regards to inter-TR reconciliation will need to be considered? Should additional fields be considered for pairing? Please detail the reasons for your response.](#_Toc34747783)

<ESMA\_QUESTION\_TSTR\_108>

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<ESMA\_QUESTION\_TSTR\_108>

1. [: What other aspects should be considered to ensure the integrity of the number and values of the reconciled derivatives? Please detail the reasons for your response.](#_Toc34747784)

<ESMA\_QUESTION\_TSTR\_109>

We need further clarity on paragraphs 377-378 as regards additional data required. What exactly is being asked for TRs to prepare and what, if anything, is to be done with the output? We would appreciate it if ESMA clarified if this confirmation represents a new type of report generation. We believe that, alternatively, the process can be done more efficiently via an email.

<ESMA\_QUESTION\_TSTR\_109>

1. [: What other aspects should be considered to reduce data transformation and format issues in the inter-TR reconciliation process? Please detail the reasons for your response.](#_Toc34747785)

<ESMA\_QUESTION\_TSTR\_110>

We strongly believe that there should be one schema across all TR deliveries, specifically; the report submitting entity into the TR, inter-TR, and TR to regulator/NCA. The efficiency gains when using ISO 20022 would only be realized if the schema is exactly the same in all scenarios.

<ESMA\_QUESTION\_TSTR\_110>

1. [: What other aspects should be taken into account with regards to the timeline for completion of the inter-TR reconciliation process? Please detail the reasons for your response.](#_Toc34747786)

<ESMA\_QUESTION\_TSTR\_111>

As regards paragraph 381, we have examined various options and concluded that the best way forward would be to make reconciliation happen sooner rather than later. Therefore, we would recommend to ESMA that TRs include the trades which are on Monday night’s TSR in the inter-TR process ending at 6pm on Tuesday. The clear advantage of this approach is that it allows for the reconciliation (pairing/matching) process to take place sooner rather than later, because many counterparties reconcile on the first day possible (T+1) where both clients report on T+0. One possible downside could be some false positives but, overall, the statistics would be superior. Other options we have examined would be complicated to implement and would not assist in the completion of Inter-TR reconciliation at the appropriate timeframe.

We also believe that further clarity is needed on paragraph 383. More specifically, we believe that TRs provide the relevant response only to the reporting counterparties and entities responsible for reporting (if onboarded to the TR) but not the report submitting entities.

<ESMA\_QUESTION\_TSTR\_111>

1. [: Do you agree with the proposed approach to establish tolerances for certain fields? Please detail the reasons for your response.](#_Toc34747787)

<ESMA\_QUESTION\_TSTR\_112>

We would recommend applying the tolerances for certain fields along with the validations and we would encourage ESMA not to include them into the technical standard process, as they need to be easily adjusted, as and when necessary. Tolerances need to be adjusted as time and situations dictate and should not be prescribed, but rather the industry should retain the ability to adjust/change accordingly.

<ESMA\_QUESTION\_TSTR\_112>

1. [: Do you agree with the proposed set of fields? Please detail the reasons for your response.](#_Toc34747788)

<ESMA\_QUESTION\_TSTR\_113>

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<ESMA\_QUESTION\_TSTR\_113>

1. [: Do you foresee any problem in the reconciliation of field “Valuation amount”? How should the valuation amount be reconciled in the case of derivatives which are valued in different currency by the counterparties, such as currency derivatives? Please detail the reasons for your response.](#_Toc34747789)

<ESMA\_QUESTION\_TSTR\_114>

Yes. The valuation is not an input field, but rather an output field. As it is not an “input” field, it cannot be expected to match, even with tolerances. Therefore, the status of this field should not impact the status of the contract (unmatched/matched/reconciled).

The tolerances on any “warning report” should be based on the delta and the product rather than on absolute numbers or percentages. As we have argued in our response to Question 84, if Delta is to be reported, it should be reported with the valuation and only with the valuation updates and not as part of the notional elements in the record.

We would recommend that ESMA reviews the industry-agreed process around the portfolio reconciliation as it relates to collateral.

Moreover, we believe that the information needed to reconcile is deemed confidential today and TRs cannot show one party to a trade the other’s submitted valuation. If this field were to be compared, we would need clear guidance that this data should be exposed.

If, however, ESMA believes that the valuation amounts should be reconciled, given valuations will change on a daily basis, we would recommend creating a separate reconciliation status for valuations, independent of the status of the core message, in order to minimize the requirements of all parties to reconcile the complete trade on a daily basis, including fields that have not changed.

<ESMA\_QUESTION\_TSTR\_114>

1. [: Do you agree with excluding the newly added fields from the first stage of the inter-TR reconciliation process? Please detail the reasons for your response.](#_Toc34747790)

<ESMA\_QUESTION\_TSTR\_115>

Yes, we agree that they should be excluded.

<ESMA\_QUESTION\_TSTR\_115>

1. [: Do you consider that any additional requirement in relation with the policies and procedures referred to in Article 78(9) EMIR needs to be added to ensure better performance of the data transfer by TRs? Please detail the reasons for your response.](#_Toc34747791)

<ESMA\_QUESTION\_TSTR\_116>

As discussed earlier in the consultation (questions 2, 3 and 4), there are numerous issues around portability as currently defined when applied to the scenario where an NFC- stops reporting and delegates to an FC.

We need greater clarification regarding the actual entity (reporting party, report submitting entity, or entity responsible for reporting) that should be able to instruct portability, especially when one or more of these entities (reporting party/entity responsible for reporting) are not required to be onboarded to the incoming TR. We recommend that ESMA and the TRs jointly review the process and make the necessary changes with the inclusion of the ‘*new entity responsible for reporting’* field.

As previously mentioned, the need to upgrade the existing records and/or fields (e.g. UTI) will impact the portability process. We believe these complications should be addressed jointly by ESMA and the TRs.

Finally, it is still unclear as to the mechanics surrounding portability in the case of a wind-down. It is difficult to conceive of procedures required for registration that would address this without understanding if the receiving TR would be mandated to receive the transactions, and onboard all clients regardless of the TR’s KYC procedures. Further guidance on involuntary porting is necessary.

<ESMA\_QUESTION\_TSTR\_116>

1. [: Do you agree with the proposed framework for rejection responses? Please detail the reasons for your response.](#_Toc34747792)

<ESMA\_QUESTION\_TSTR\_117>

1. We agree with the proposed framework as it aligns SFTR with EMIR in the areas of schema, permission, logic and business validations. However, we believe that the one-hour response requirement should allow for exceptions in special circumstances.

We would also like to stress that there is no added value in providing responses to the reporting counterparties and the entities responsible for reporting. When a firm has delegated their reporting to another party, they are highly unlikely to be able to process the report in ISO 20022 and will not have controls and operations to allow real time responses. Therefore, we believe this requirement (as under SFTR) provides no benefit for counterparties, adding unnecessary cost and complexity to the solution.

<ESMA\_QUESTION\_TSTR\_117>

1. [: Do you agree with the proposed framework for reconciliation responses? Please detail the reasons for your response.](#_Toc34747793)

<ESMA\_QUESTION\_TSTR\_118>

We believe the requirement to provide reconciliation responses back to our entire client base within one hour of the reconciliation process to be very challenging, costly and unnecessary. In most cases, counterparties with EMIR reporting obligations have operations staff located in Europe or APAC and therefore the requirement to deliver these reports by 7pm will make little difference to the timeliness of resolving any reconciliation breaks. Additionally, it will add unnecessary complexity and costs. We therefore propose a more reasonable timeframe to be within 6 hours (or midnight UTC).

Moreover, we believe ESMA should adopt the TR industry best practice as regards the reconciliation categories: tri-dimensional reconciliation process, 'paired', 'matched (with Cat 1 and Cat 2) ', 'reconciled'.

To avoid the risk of misinterpreting the xml schema codes around these reconciliation categories, in light of TRACE evolution, we would argue that for pairing and matching:

* Pairing status represents the reconciliation of the three elements: LEI1+LEI2+UTI.
* Matching status represent the reconciliation of the Cat 1 matching fields.
* (Full) reconciliation represents the reconciliation of both Cat1 and Cat 2 matching fields.

<ESMA\_QUESTION\_TSTR\_118>

1. [: Do you agree with the suggested reconciliation categories? Please detail the reasons for your response.](#_Toc34747794)

<ESMA\_QUESTION\_TSTR\_119>

As it relates to the reconciliation category of Further Modifications, we believe that adding this new category, which will require the reconciliation to finish and then be compared to the message submissions since the cut-off time for the reconciliation, will add cost, complexity and elongate the time necessary to perform the reconciliation. We would question whether the additional cost and delay in terms of reconciliation would justify the benefit to the industry.

Note: we are assuming that this further modification will not apply to messages received at another TR. More specifically, there would still only be one exchange of details of unreconciled trades each day between TRs and any modifications would take place the following day. If not, it is not clear how one TR would know whether there is a modification at another TR without real-time exchange of data, which is not the expected behavior.

<ESMA\_QUESTION\_TSTR\_119>

1. [: Are there any relevant aspects related to the application of action type “Revive” that should be considered for the purposes of carrying out the reconciliation process?](#_Toc34747795)

<ESMA\_QUESTION\_TSTR\_120>

DDRL recommends that ESMA consider aligning the reconciliation procedures under EMIR Refit reporting to those under the SFTR, specifically as it relates to the REVIVE action type. We believe that a participant should only be able to revive a transaction for 30 days past the date that it moved from the outstanding portfolio.  Otherwise, it will create problems with the Inter-TR reconciliation, where neither side was reporting a given UTI but after REVIVE one side would be reporting it. For reports that have been out of the outstanding population for more than 30 days because they had action type ERROR or TERMINATE applied, the parties should resubmit the transactions using a new UTI – only if the contract is still “alive” and reportable.

<ESMA\_QUESTION\_TSTR\_120>

1. [: Are there any aspects that need to be further specified regarding the end-of-day reports to be provided to reporting counterparties, the entities responsible for reporting and, where relevant, the report submitting entities? Is there any additional information that should be provided to these entities to facilitate their processing of data and improve quality of data? Please detail the reasons for your response.](#_Toc34747796)

<ESMA\_QUESTION\_TSTR\_121>

We believe that the approach outlined here is the appropriate one. TRs will build new reports that do enhance data quality and NCAs would receive better data. From our experience, NCAs have divergent technological capacity to process and analyze TR data, therefore, flexibility needs to be embedded into the approach.

We do however have an issue with paragraph 409 (g) and abnormal values reporting (paragraph 408). We believe that ESMA and the NCAs are better placed to set the values for the abnormal/normal values report [with 'notional' and 'notional quantity' key outliers]. They should do that in conjunction and in consultation with the TRs and should adopt, again, a flexible approach so they can have the ability to change the values to adjust to market conditions.

<ESMA\_QUESTION\_TSTR\_121>

1. [: Especially regarding the abnormal values, please indicate which of the two approaches you prefer and which other aspect should be taken into account. Please detail the reason for your response.](#_Toc34747797)

<ESMA\_QUESTION\_TSTR\_122>

Please see our answer to question 121.

<ESMA\_QUESTION\_TSTR\_122>

1. [: Do you believe that there are any other aspects that need to be aligned between the current RTS on registration under SFTR and the ones under EMIR? Please detail the reasons for your response.](#_Toc34747798)

<ESMA\_QUESTION\_TSTR\_123>

It would be helpful to permit a joint application for EMIR and SFTR. A new TR is able to pay the registration fee for EMIR and the extension fee for SFTR when submitting both applications. Considerable overlap could be avoided both in preparing the registration application and in ESMA’s review, if the applications could be combined.

<ESMA\_QUESTION\_TSTR\_123>

1. [: Do you agree with the above proposals for provision of information in the case of extension of registration? Please elaborate on the reasons for your response.](#_Toc34747799)

<ESMA\_QUESTION\_TSTR\_124>

Yes, we agree with the proposals.

<ESMA\_QUESTION\_TSTR\_124>

1. [: Do you believe that there are any other aspects that need to be covered by the draft ITS on registration under EMIR? Please detail the reasons for your response.](#_Toc34747800)

<ESMA\_QUESTION\_TSTR\_125>

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<ESMA\_QUESTION\_TSTR\_125>

1. [: Do you agree with the proposed amendments to the data access requirements with respect to the terms and conditions of data access?](#_Toc34747801)

<ESMA\_QUESTION\_TSTR\_126>

Yes, we agree with the proposed amendments.

<ESMA\_QUESTION\_TSTR\_126>

1. [: What other aspects need to be clarified with regards to the definition of elements for the establishment of direct and immediate access to data?](#_Toc34747802)

<ESMA\_QUESTION\_TSTR\_127>

Data sources that TRs use need to be standardized golden sources of information across all competent authorities, i.e. FIRDS registers.

The form needs further clarity as to how authorities need to refer to/fill in the requirements, making sure that the data is referenced by the NCAs from the same source across the board.

There should be a guidance note that ESMA creates on access rules, to which authorities can refer, as applicable within their own jurisdiction.

<ESMA\_QUESTION\_TSTR\_127>