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| Response Form to the Consultation Paper |
| Technical Advice on simplification TR fees under SFTR and EMIR |

**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:

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

ESMA will consider all comments received by **24 April 2021.**

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\_TRFE\_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\_TRFE\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_ TRFE \_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” 🡪 “Technical Advice on simplification TR fees under SFTR and EMIR”).

**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 publicly 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.

**Data protection**

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading [Legal Notice](http://www.esma.europa.eu/legal-notice).

**Who should read this paper?**

All interested stakeholders are invited to respond to this consultation. In particular, responses are sought from financial and non-financial counterparties to 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 | LSEG |
| Activity | Other Financial service providers |
| Are you representing an association? |  |
| Country/Region | UK |

**Introduction**

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

<ESMA\_COMMENT\_TRFE\_1>

LSEG (London Stock Exchange Group) is a diversified global financial markets infrastructure and data business, headquartered in London, with significant operations in Europe, North America, and Asia. Our focus is Data and Analytics, Risk & Balance Sheet Management, and Capital Formation. With extensive experience, deep knowledge and worldwide presence across financial markets, we enable businesses and economies around the world to fund innovation, manage risk and create jobs.

LSEG operates UnaVista, a rules-based data matching and validation service, available globally and designed to manage multiple workflows irrespective of market, geography and asset class. UnaVista’s TRADEcho B.V. is an authorised and regulated EMIR Trade Repository (“TR”) operating across all asset classes for both exchange traded derivatives and OTC derivatives. UnaVista’s TRADEcho B.V. entity is also an authorised and regulated SFTR Trade Repository. Unavista is a Data Reporting Service Provider (DRSP), acting both as an Authorised Reporting Mechanism (ARM) and an Approved Publications Arrangement (APA).

GENERAL COMMENTS

LSEG welcomes the opportunity to comment on ESMA’s consultation “Technical advice to EC on simplification and harmonisation of fees to TRs under EMIR and SFTR”

In general:

In regards to the process, we believe that a simplification and harmonisation of fees setting is a positive development that we support as a TR that is operating both under the EMIR and SFTR regime.

We believe that in the context of regulatory fees there should be a European level playing field and as such ESMA should only be taking into account the revenue generated by the regulated activities offered by a TR when determining the supervisory fees. We recommend that the revenue generated by ancillary services should not be taken into account when establishing the fees applicable to TRs in order to preserve the level playing field.

We encourage the supervisory fee setting process to be as predictable and transparent as possible which would help TRs to do their budgeting accordingly.

<ESMA\_COMMENT\_TRFE\_1>

**Questions**

1. Do you agree with the alignment of fee frameworks between EMIR and SFTR? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_TRFE\_1>

As an TR active both under the EMIR and SFTR regime, UnaVista TRADEcho B.V. supports the alignment of fee frameworks between EMIR and SFTR.

<ESMA\_QUESTION\_TRFE\_1>

1. Do you agree with the proposed alignment of the registration fees structure under EMIR with that under SFTR? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_TRFE\_2>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TRFE\_2>

1. Do you agree with the simplification and harmonisation as proposed under Alternative A or as proposed under Alternative B? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_TRFE\_3>

On the subject of ancillary services offered directly by the TR, indirectly by a company within the TR’s group or through a contractual arrangement with a third party we would like to stress the importance of maintaining a European level playing field. These ancillary services are also offered by non-regulated entities that are competing directly with TRs and as such can offer more competitive pricing models as they are not subjected to regulatory fees. Hence, we would recommend that the revenue generated by ancillary services should not be taken into account when establishing the fees applicable to TRs in order to preserve the level playing field.

<ESMA\_QUESTION\_TRFE\_3>

1. Do you agree with the proposed alignment of amounts of fees for registration and extension of registration under EMIR with those under SFTR? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_TRFE\_4>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TRFE\_4>

1. Do you agree with the fee proposals under Alternative A or as proposed under Alternative B? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_TRFE\_5>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TRFE\_5>

1. Do you agree with this proposal? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_TRFE\_6>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TRFE\_6>

1. Do you agree with the proposed alignment of calculation of the applicable turnover under EMIR with that under SFTR? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_TRFE\_7>

We agree that the approach to calculate the annual supervisory fees under EMIR and SFTR need to be consistent and aligned.

However, we recommend that the activities that need to be looked at in order to determine the applicable turnover of a TR should be limited to the regulated activities only and should not include the revenue generated for ancillary services regardless of how these are provided. We would like to point out that ESMA does not include the revenue generated for these ancillary services when computing its regulatory breach penalties. As such we believe that these should be left out of the total turnover generated by a TR. The reason for doing so relates to the fact that these ancillary services are also offered by non-regulated entities that are competing directly with TRs and as such can offer more competitive pricing models as they are not subjected to regulatory fees. Therefore, we would suggest that the revenue generated by ancillary services is not taken into account when establishing the fees applicable to TRs in order to preserve the level playing field.

<ESMA\_QUESTION\_TRFE\_7>

1. Do you agree with retaining the current approach relating to minimum annual supervisory fee under EMIR and SFTR? Please detail the reasons for your response.

<ESMA\_QUESTION\_TRFE\_8>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TRFE\_8>

1. Do you agree with the proposal for the first-year supervisory fees under EMIR and SFTR? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_TRFE\_9>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TRFE\_9>

1. Do you agree with the simplification of the determination of the initial recognition fees under EMIR and SFTR? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_TRFE\_10>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TRFE\_10>

1. Do you agree with the proposed amounts? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_TRFE\_11>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TRFE\_11>

1. Do you agree with the proposal for the payment conditions by TRs of the fees for registration, extension of registration and initial recognition under EMIR and SFTR? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_TRFE\_12>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TRFE\_12>

1. Do you agree with retaining the approach on non-reimbursemnt of fees of the fees for registration, extension of registration and initial recognition under EMIR and SFTR? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_TRFE\_13>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_TRFE\_13>

1. Do you agree with the proposed approach for the payment of the annual supervisory and recognition fees under EMIR and SFTR? Please elaborate on the reasons for your response.

<ESMA\_QUESTION\_TRFE\_14>

As a TR active both under EMIR and SFTR we would need to be able to accurately and timely budget for any supervisory fees we may be expecting. As the methodology to calculate these is dependent on the TR market as a whole we do not have full visibility of the total number of supervisory fees we may be expecting. As such we would like to request ESMA to propose a fee model in advance that would allow TRs to make an approximate estimation of the supervisory fees that may be expected for the coming year. Doing so based on the volumes of last year, or the year before may not provide the most accurate view of the current TR landscape and trades processed.

Furthermore, we would like to ask for clarity under the model where only 1 instalment would need to be paid before the 31 March of the year for which the fees are due, and in case the amount of fees is higher than the overall revenue generated: in such case we would like clarity on whether TRs would receive a credit note in relation to this amount or if it would be deducted from the supervisory fees of the next year.

<ESMA\_QUESTION\_TRFE\_14>