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| Reply form  for the Call for Evidence on a Comprehensive Approach for the Simplification of Financial Transaction Reporting |
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**Responding to this paper**

ESMA invites comments on all matters in this call for evidence and in particular on the specific questions. 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 **19th** **September 2025.**

**Instructions**

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

1. Insert your responses to the questions in the Call for Evidence in the present response form.
2. Use this form and send your responses in Word format (**pdf documents will not be considered except for annexes**);
3. Please do not remove tags of the type <ESMA\_QUESTION \_CASR\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
4. 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.
5. When you have drafted your response, name your response form according to the following convention: ESMA\_CASR\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_CASR\_ABCD\_RESPONSEFORM.
6. Upload the form containing your responses, **in Word format**, to ESMA’s website (www.esma.europa.eu under the heading “Your input – Open Consultations” -> Call for evidence on a comprehensive approach for the simplification of financial transaction reporting”).

**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**

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**Who should read this paper**

# This paper is primarily addressed to all financial market participants and in particular reporting entities and market infrastructures, as well as to trade associations and other stakeholders involved in financial regulation, investor education, and retail investment market developments. It seeks input on major cost drivers linked to derivative regulatory reporting and the identification of possibilities on integration, streamlining and simplification.

# The paper is also relevant to competent authorities, with competences in the context of MiFIR, EMIR, SFTR regulation.

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**General information about respondent**

|  |  |
| --- | --- |
| Name of the company / organisation | BDEW – Bundesverband der Energie- und Wasserwirtschaft e.V. |
| Activity | Choose an item. |
| Are you representing an association? |  |
| Country/Region | Germany |

**Questions**

1. Do stakeholders agree with the description of the key challenges outlined above? Is there any other issue linked to multiple regulatory regimes with duplicative or inconsistent requirements that is not reflected in this section? Out of the 10 sources of costs identified in this section and the ones that you may add, what are the three main cost drivers in your view?

<ESMA\_QUESTION\_CASR\_1>

* We agree with the key challenges identified in the consultation, particularly the fragmentation of reporting frameworks and the frequent regulatory changes without coordination across regimes. From an energy sector perspective, the following are the three main cost drivers:
  + Multiple reporting obligations, especially for derivatives under both EMIR and MiFIR, often leading to costly parallel IT infrastructures.
  + Lack of data standardisation and harmonisation
  + Dual-sided reporting under EMIR, which is operationally burdensome for non-financial counterparties and adds complexity without proportional supervisory value.

<ESMA\_QUESTION\_CASR\_1>

1. Do stakeholders agree with the proposed principles and related description? Is there any other aspect/principle that should be considered?

<ESMA\_QUESTION\_CASR\_2>

* In general we support the four simplification principles proposed by ESMA: preserving information scope, reducing overlaps, ensuring global alignment, and balancing cost and benefit. We propose adding a fifth principle: “Sector specific simplification“, recognising the unique characteristics and lower systemic risk of non-financial counterparties, especially in the energy sector.

Furthermore we propose to restrict the information needed by authorities related to financial counterparties, all information related to non-financial counterparties is not a priority for performing supervisory tasks (like monitoring systemic risks to financial stability or detecting and identifying market abuse cases).

<ESMA\_QUESTION\_CASR\_2>

1. What are the key advantages of option 1a and how do these benefits address the issues in section 3?

<ESMA\_QUESTION\_CASR\_3>

* Option 1a offers clear advantages by assigning ETDs exclusively to MiFIR and OTC derivatives to EMIR, thereby creating a straightforward and efficient reporting structure. It **eliminates the need to report ETDs under both EMIR and MiFIR**, directly addressing the duplication of derivative reporting highlighted in Section 3. This approach **simplifies compliance** for firms active in both OTC and exchange-traded markets, particularly for energy companies that rely on ETDs for hedging and OTC instruments for tailored risk management.

Additionally, Option 1a ensures **better global alignment**, reflecting international practices such as those of the CFTC in the United States and ASIC in Australia, where ETDs are typically reported once through market transaction data rather than to trade repositories. This shift mitigates the **inefficiency and fragmentation** described in Section 3 and moves the EU toward a more harmonised and simplified framework.

Another key benefit is the **simplification of IT systems and the reduction of maintenance burdens**. Firms would no longer need to operate parallel reporting infrastructures for the same ETD trades across two regimes, which directly addresses the **duplication of IT systems and processes** identified in Section 3. This leads to lower ongoing operational costs and eases compliance obligations, particularly for smaller non-financial counterparties in the energy sector.

Finally, Option 1a contributes to **improved data quality and usability**. By consolidating ETD reporting under a single regime, it allows for consistent templates and definitions, thereby tackling the **issue of inconsistent terminology and data standards**. Supervisory authorities benefit from receiving cleaner, non-duplicated datasets, which enhance both market surveillance and systemic risk monitoring.

Overall, Option 1a directly addresses at least four of the nine cost drivers outlined in section 3, producing immediate effciency gains for market participants and authorities.

While Option 1a contains several advantages that could deliver short-term improvements, it will not resolve all of the structural problems with reporting regimes in general.

<ESMA\_QUESTION\_CASR\_3>

1. What are the key limitations and potential risks of option 1a? For example, do you consider the adaptation of the emir template to cover the data points used for market abuse surveillance as meeting the general objective of reducing the reporting burden, and why?

<ESMA\_QUESTION\_CASR\_4>

* Option 1a involves several limitations and potential risks that need to be considered alongside its benefits. **Adapting EMIR templates to include data points currently required for market abuse surveillance under MiFIR could significantly increase complexity.** These risks diluting the intended simplification and may result in template bloat rather than streamlined reporting, which would conflict with the overall burden-reduction objective

Depending on the exact delineation and determination of the reporting scope (e.g., non-financial counterparties trading on a third-country venue involving third-country central counterparties and/or third-country direct clearing members), non-financial counterparties currently not in scope of MiFIR may be required to establish a MiFIR reporting solution that is not currently applicable. For example, the obligation to report transactions under Article 26 MiFIR applies only to financial counterparties, not to non-financial counterparties.

Extending the MiFIR scope to non-financial counterparties would therefore constitute a clear **showstopper**. We strongly recommend revoking any reporting obligations for derivatives under MiFIR, as these requirements can be effectively subsumed into the existing single-sided EMIR Article 9 reporting framework with the addition of certain data elements. Moreover, there is no added value in the proposed option, since it would still require the maintenance of three separate reporting regimes, namely MiFIR ETD reporting, EMIR OTC reporting, and EMIR OTC reporting for IFEU transactions.

A further challenge lies in **regulatory and legal uncertainty**. Reassigning reporting obligations between MiFIR and EMIR requires **Level 1 legislative changes**, which, according to ESMA, could take **up to five years** to implement. During this period, transitional uncertainty may arise, as inconsistent timelines and phased implementations across jurisdictions could temporarily **exacerbate the lack of synchronisation** highlighted in Section 3 of the consultation.

Finally, Option 1a entails a **short-term cost impact**. While it promises to reduce duplication and IT complexity in the long run, its implementation will require **significant IT adaptations, system testing, and staff training**, all of which add to transition costs. These short-term efforts directly reflect the **implementation burden and IT duplication issues** discussed in Section 3, even if they are only temporary.

<ESMA\_QUESTION\_CASR\_4>

1. What components are missing or not adequately addressed in option 1a? Why are these elements important, and how might their inclusion change the evaluation or implementation of option 1a?

<ESMA\_QUESTION\_CASR\_5>

* While Option 1a provides a strong basis for reducing duplication and aligning reporting responsibilities, several key components are currently missing or not adequately addressed. **First, the option lacks a centralised and standardised data dictionary**. In Section 3, ESMA identified **inconsistent terminology and definitions** across EMIR, MiFIR, and SFTR as a major driver of reporting burden. Without a single, harmonised data dictionary, Option 1a risks perpetuating these inconsistencies, even if ETDs are reassigned solely to MiFIR.

**Second, a phased implementation and transition plan is essential.** As highlighted in the Key Issues, **frequent regulatory changes and unsynchronised timelines** significantly increase the compliance burden. A clear roadmap with defined co-existence periods for legacy and new reporting structures would reduce short-term operational pressure and mitigate the risk of fragmented adoption across jurisdictions.

**Third, the option should explicitly address data access and supervisory visibility.** Reassigning ETD reporting to MiFIR without a **robust framework for data access, validation, and sharing** could result in temporary **data gaps** for authorities such as ESMA or ACER, undermining the dual purpose of market surveillance and systemic risk monitoring noted in Section 3.

Incorporating these elements—**a harmonised data dictionary, a structured transition roadmap, and a clear access framework for supervisory authorities**—would significantly strengthen Option 1a. It would ensure that the simplification effort not only reduces duplication but also tackles the **root causes of inefficiency and fragmentation** described in Section 3.

<ESMA\_QUESTION\_CASR\_5>

1. What are the key advantages of option 1b and how do these benefits address the issues in section 3?

<ESMA\_QUESTION\_CASR\_6>

* We **do not agree with key advantages of option 1b** included in the ESMA document from a non-financial counterparty point of view not having implemented a full EMIR/MiFIR/SFTR (different IT systems not all able to produce, process, validate and submit the data under EMIR/MiFIR/SFTR) solution.

**We therefore reject option 1b because this option 1b is not designed to reduce the burden associated with complying with financial regulatory reporting requirements for a non-financial counterparty.**

<ESMA\_QUESTION\_CASR\_6>

1. What are the key limitations and potential risks of option 1b?

<ESMA\_QUESTION\_CASR\_7>

A non-financial counterparty not having implemented a full EMIR/MiFIR/SFTR (different IT systems not all able to produce, process, validate and submit the data under EMIR/MiFIR/SFTR) solution has to reject option 1b because this option 1b is not designed to reduce the burden associated with complying with financial regulatory reporting requirements for a non-financial counterparty.

<ESMA\_QUESTION\_CASR\_7>

1. What components are missing or not adequately addressed in option 1b? Why are these elements important, and how might their inclusion change the evaluation or implementation of option 1b?

<ESMA\_QUESTION\_CASR\_8>

* As mentioned, option 1b is not designed for the use case of non-financial counterparties, so we have nothing to add here.

<ESMA\_QUESTION\_CASR\_8>

1. What are the key advantages of option 2a and how do these benefits address the issues in section 3?

<ESMA\_QUESTION\_CASR\_9>

* Option 2a applies the **“report once” principle** across all derivatives reporting regimes (MiFIR, EMIR, and SFTR), thereby offering a **comprehensive simplification** of regulatory reporting. By unifying reporting under a single framework, Option 2a delivers a **considerable reduction of the reporting burden** for market participants, as highlighted in the chart under **PROS**. Market participants would no longer need to maintain **parallel reporting flows** for ETD and OTC derivatives, nor replicate reporting for post-trade events across multiple regimes.

This approach leads to **significant simplification of derivatives reporting rules**, as a single reporting template would cover the full lifecycle of trades. It directly addresses several **Key Issues from Section 3**, such as **duplication of reporting obligations, fragmented reporting channels, and high IT maintenance costs**. In addition, the consolidation of reporting into one-sided submissions by financial entities and CCPs improves **data quality and usability**, supporting **streamlined data access and sharing** for NCAs, ESMA, and ACER.

Finally, Option 2a **enhances the integration of analytical and risk monitoring activities**. Supervisory authorities benefit from a unified dataset that reduces inconsistencies and reconciliation burdens, enabling **targeted oversight and risk management**. This aligns with the **consultation goal of meaningful burden reduction** while maintaining robust supervisory capabilities.

<ESMA\_QUESTION\_CASR\_9>

1. What are the key limitations and potential risks of option 2a?

<ESMA\_QUESTION\_CASR\_10>

Despite its strong benefits, Option 2a carries **considerable limitations and risks**, particularly in terms of **implementation costs and transition complexity**. Implemantation costs are **higher than under Options 1a and 1b**, as market participants will need to **redesign IT infrastructures, migrate data, and retrain staff** to comply with the new integrated model. For smaller non-financial counterparties, such as energy firms, these upfront costs could be **proportionally significant**. However, the proposed Option 2a does not provide any approach for dealing with transactions between NFCs and is therefore partly incomplete. In this context, the question of liability must also be addressed, particularly concerning the allocation of responsibilities under a one-sided reporting regime. Without clear rules on liability, the intended simplification may create legal uncertainty and undermine the effectiveness of the model.

<ESMA\_QUESTION\_CASR\_10>

1. What components are missing or not adequately addressed in option 2a? Why are these elements important, and how might their inclusion change the evaluation or implementation of option 2a?

<ESMA\_QUESTION\_CASR\_11>

**1. Structured transition and cost-management plan**  
Given the **high initial implementation costs** highlighted in the consultation and the chart, a **phased rollout with co-existence periods** for legacy and new systems is essential. This would mitigate operational and financial pressure on market participants, particularly smaller non-financial entities in the energy sector.

**2. Centralised supervisory access and governance framework**  
A unified “report once” system requires **clear access rights, robust validation procedures, and harmonised data-sharing protocols** to prevent **temporary data gaps** and to ensure seamless oversight by ESMA, NCAs, and ACER. This directly addresses the **Key Issues of fragmented reporting channels and data quality risks**.

**3. Harmonised data model and standardised lifecycle mapping**  
Option 2a lacks an explicit commitment to a **fully harmonised data model**, where all instruments, lifecycle events, and reporting fields are consistently defined and linked. Without this, there remains a risk of **inconsistent reporting and reconciliation challenges**, which undermines the very objective of the “report once” principle. Standardised lifecycle mapping is essential to ensure that trade execution and all subsequent events can be **tracked, validated, and analysed** across regimes.

**4.** The determination of Entity Responsible for Reporting (example: mandatory delegated reporting under **EMIR Article 9 refers to OTC derivative contracts** while some derivative contracts traded on a third country venue are classified as OTC derivative contract while some other derivative contracts traded on a third country venue are not classified as OTC derivative contract) is missing.

Incorporating these components would **reduce operational risk**, strengthen **supervisory integration**, and help realise the **long-term cost savings and efficiency gains** promised by Option 2a.

<ESMA\_QUESTION\_CASR\_11>

1. What are the key advantages of option 2b and how do these benefits address the issues in section 3? What regimes should be included in such an option beyond EMIR, MiFIR and SFTR?

<ESMA\_QUESTION\_CASR\_12>

Option 2b represents the **most ambitious implementation of the “report once” principle**, extending the integration beyond MiFIR, EMIR, and SFTR to other overlapping regimes, such as **REMIT or Solvency II**. This approach offers **the highest potential reduction of reporting burdens**, as all duplicative or inconsistent reporting obligations across sectors are eliminated. Market participants, especially in the energy sector, would benefit from **one single, unified reporting template**, which drastically simplifies internal workflows and compliance processes.

<ESMA\_QUESTION\_CASR\_12>

1. What are the key limitations and potential risks of option 2b?

<ESMA\_QUESTION\_CASR\_13>

* Option 2b also entails **significant limitations and risks**, primarily due to its **complexity and scale**. As reflected in the Schaubild under **CONS**, it has the **highest implementation cost** of all options and requires the **longest implementation timeline**, potentially **five to seven years or more**, depending on the alignment of various sectoral regulations.

Key risks include:

* + **Coordination challenges** among a **wide range of authorities** with different mandates, purposes, and data needs,
  + **Increased likelihood of transitional data gaps**, as more regimes are integrated into a single reporting template,
  + **Greater vulnerability of the “information scope” principle**, because covering multiple regulations increases technical and legal complexity.
  + **reclassification of instruments** (e.g., maintain REMIT C.6 carve-out)
  + **market entry barrier creation:** Increasedreporting requirements for industrial companies that would be comparable to those for financial companies would indirectly lead to a barrier to market entry for small and medium-sized non-financial companies.
  + **Reporting entities** that previously had to report less data (e.g. under REMIT) will most likely have to report significantly more fields as a result of harmonisation.
  + **Harmonisation**, where the number of data fields for the respective regulation increases (e.g. in REMIT, which has the fewest data fields in comparison), would lead to permanently higher IT costs. Investments would have to be made in the missing infrastructure and additional expertise, especially in non-financial companies.

<ESMA\_QUESTION\_CASR\_13>

1. What components are missing or not adequately addressed in option 2b? Why are these elements important, and how might their inclusion change the evaluation or implementation of option 2b?

<ESMA\_QUESTION\_CASR\_14>

* To ensure that Option 2b is **feasible and sustainable**, several critical components need to be included or further developed:

Sector-by-sector phased implementation roadmap

* + Given the **very different purposes of the regimes** (e.g., systemic risk under EMIR vs. market integrity under REMIT), a **staggered rollout** with clearly defined milestones is essential to manage cost, complexity, and risk.

**Comprehensive governance and coordination framework**

* + A **multi-authority supervisory council or coordination body** should oversee the rollout and operation of the integrated reporting model, ensuring that **data access and validation** remain consistent and that all authorities can fulfil their mandates without compromise.

**Harmonised data model and cross-sector lifecycle mapping**

* + A fully **standardised data model** with **cross-sector lifecycle mapping** is crucial to avoid **data fragmentation**. This is even more important in Option 2b, where instruments and reporting requirements from energy, finance, and insurance sectors are combined.

**Robust cost and transition management plan**

* + Due to the **highest implementation costs** clear **funding, co-existence periods, and industry testing phases** are required to prevent disproportionate burden on smaller non-financial entities.

Incorporating these components would **mitigate operational and supervisory risks**, ensure **data integrity**, and allow the full benefits of the **report once principle** to materialise over the long term.

<ESMA\_QUESTION\_CASR\_14>

1. Which of the two main options (1. “removal of duplication in current frameworks” or 2. "report once") and related sub-options identified do you believe should be prioritised, and why?

<ESMA\_QUESTION\_CASR\_15>

* From the perspective of energy-sector stakeholders and non-financial counterparties, **Option 1 should be prioritised in the short term**, while **Option 2 serves as a longer-term strategic goal**.

Option 1, particularly **Option 1a (instrument-based delineation)**, offers **quick wins** by eliminating the most burdensome duplications between EMIR and MiFIR without requiring full legal or IT overhauls. This directly addresses the **Key Issues of duplicative reporting, IT system duplication, and high operational burden** highlighted in Section 3. Implementation within a **medium-term horizon (up to five years)** is realistic and would yield early relief for market participants.

Option 2 (both 2a and 2b) represents the **comprehensive vision** for the EU’s “report once” approach. Its **long-term benefits** are clear—maximal simplification, unified supervision, and significant efficiency gains—but the **high cost and complexity** of full integration mean that it is better positioned as a **phased follow-up to Option 1**. This approach also limits the risk of transitional **data gaps** and **unsynchronised timelines**.

At the same time, we explicitly welcome the quick wins that can be achieved under Option 1a and see Option 2a as a potential long-term objective. However, before moving towards Option 2a, important details must be clarified to ensure feasibility and proportionality. ESMA should therefore first deliver and consolidate the near-term improvements, and only then define and communicate clear targets for the next stage, outlining what should be achieved in the future and by which steps.

<ESMA\_QUESTION\_CASR\_15>

1. Are there any additional options that should be considered on top of option 1 and 2? For example, do you identify other potential intermediate solutions, combinations of elements from the identified options, or phased approaches? If so, what are their main characteristics, the reasons for considering them, and the key advantages they would bring?

<ESMA\_QUESTION\_CASR\_16>

* Yes, additional options or **phased hybrid approaches** should be considered to balance **feasibility, cost, and supervisory integrity**. A recommended hybrid strategy could involve **three phases**:

**Phase 1: Immediate simplification (Option 1a)**

* + Remove duplicate ETD/OTC reporting between EMIR and MiFIR.
  + Implement a **harmonised data model incl. aligned definitions** and basic cross-regime linkage, addressing the **Key Issues of data inconsistency and duplication**.

**Phase 2: Targeted integration (Option 2a-lite)**

* + Pilot the **report once principle** for high-volume and high-risk products (e.g., energy and commodity derivatives) to **test IT systems, supervisory access, and validation frameworks**.
  + Include **co-existence periods** to allow parallel operation of legacy reporting where needed.

**Phase 3: Full or extended integration (Option 2a or 2b)**

* + After successful pilots and impact assessment, expand to full MiFIR/EMIR/SFTR integration, and potentially include **REMIT or other regimes**.
  + Introduce **centralised data governance**, sector-specific lifecycle mapping, and optional **direct reporting to ESMA**.

This **phased hybrid model** achieves the **early cost savings and burden reduction** of Option 1 while creating a **controlled pathway toward the “report once” objective** of Option 2. It directly mitigates **frequent regulatory changes, unsynchronised timelines, and IT duplication**.

<ESMA\_QUESTION\_CASR\_16>

1. Should the reporting channels, and flows be modified to ensure consistent reporting, and if so, how? Under which option/s do you consider these changes should be implemented?

<ESMA\_QUESTION\_CASR\_17>

* We support a **measured modification of reporting channels** to achieve consistent, streamlined reporting across MiFIR, EMIR, and SFTR. Simplification should focus on **reducing redundant submission layers** without creating additional transition complexity.

A feasible approach is to **centralise reporting flows via a single primary channel**, which would then distribute validated data to all competent authorities. This aligns with prior positions of energy-sector associations emphasizing that **“report once, distribute many”** models provide both regulatory efficiency and cost savings for reporting entities.

Such a model would **reduce IT duplication, avoid multi-interface complexity, and improve data integrity**. However, any changes should follow a **phased rollout**, ensuring that reporting members—especially non-financial counterparties in the energy sector—can adapt without disproportionate effort or resource strain.

<ESMA\_QUESTION\_CASR\_17>

1. In this regard, and based on the current order book requirements for trading venues and the availability of information, what are the advantages and disadvantages of transferring the reporting of on-venue transactions under MiFIR and EMIR to trading venues?

<ESMA\_QUESTION\_CASR\_18>

* Transferring the reporting of **on-venue transactions** under MiFIR and EMIR to trading venues can deliver **clear efficiency gains**. Trading venues already capture high-quality, near-real-time trade data, making them well positioned to **ensure consistency and timeliness** of regulatory submissions.

We have previously emphasized that **leveraging existing venue infrastructure** is a pragmatic step towards streamlining. Benefits include:

* + **Reduced operational burden** for market participants, as fewer direct reports are needed,
  + **Improved data quality**, since execution data originates at the source,
  + **Enhanced automation** of end-to-end reporting flows.

Disadvantages include:

* + **post-trade events**: transferring the reporting of on-venue transactions under MiFIR and EMIR to trading venues requires trading venues having necessary data for all scenarios of post-trade events (high-level impact analysis not sufficient to verify this option)
  + **third country trading venues**: transferring the reporting of on-venue transactions under MiFIR and EMIR to third country trading venues requires third country trading venues being subject to EU legislation and supervision (mitigation for EU non-financial counterparties via waterfall approach referring to central counterparties and/or direct clearing members)

However, a **voluntary or phased adoption model** is recommended. Smaller venues and market participants may need **time and guidance** to ensure that venue-based reporting fully aligns with harmonised data models and lifecycle tracking requirements.

<ESMA\_QUESTION\_CASR\_18>

1. Additionally, what are your views on enhancing ESMA role as data hub by developing a framework where entities would report consistent and harmonised data directly to ESMA? Should this option consider direct reporting to ESMA coupled with EU and national authorities’ access to the centrally held data, eliminating multiple submissions?

<ESMA\_QUESTION\_CASR\_19>

* Energy-sector associations have repeatedly underlined that centralisation should **not increase the compliance burden** for non-financial participants. Clear **data access governance, robust validation procedures, and phased testing** are therefore essential to ensure that a central ESMA hub enhances transparency **without disrupting existing operational processes**.

**The reporting channels and flows should ensure consistent reporting to a trade repository** (without enhancing ESMA role as data hub by developing a framework where entities would report consistent and harmonized data directly to ESMA) under all options in order to achieve simplification and burden reduction while focusing ESMA`s duties on performing supervision and facilitating market discipline.

<ESMA\_QUESTION\_CASR\_19>

1. In the case of centralisation of reporting, please expand on the advantages and disadvantages as well as the implementation challenges and opportunities? Under this scenario, what additional elements should be considered (i.e. Operational aspects, technical implementation, etc.)

<ESMA\_QUESTION\_CASR\_20>

* Full or partial **centralisation of reporting** offers significant advantages for both market participants and supervisors. It **reduces IT complexity**, **minimises duplicate submissions**, and **supports higher data quality through unified validation processes**. From the industry perspective, centralisation also provides a **clearer compliance framework**, making internal workflows more predictable and auditable.

Potential disadvantages include **high initial implementation costs**, the need for **robust cybersecurity and governance**, and the risk of **temporary operational bottlenecks** during transition. We have consistently advocated for **gradual, sector-aware implementation**, noting that non-financial counterparties—particularly in energy—require **sufficient lead time and co-existence periods** to adapt systems without disrupting core business operations.

For successful implementation, the following elements are critical:

* + **Clear supervisory governance** defining roles and responsibilities across EU and national authorities,
  + **Harmonised data models and lifecycle mapping** to ensure data consistency,

This approach aligns with the **industry’s preference for pragmatic streamlining**, balancing burden reduction with operational stability and regulatory integrity.

<ESMA\_QUESTION\_CASR\_20>

1. Do you consider that other technologies (e.g. DLT and Smart Contracts) should be considered as a way to simplify the reporting process?

<ESMA\_QUESTION\_CASR\_21>

* The adoption of **modern technologies** such as **distributed ledger technology (DLT)**, **application programming interfaces (APIs)**, and **cloud-native reporting solutions** can significantly enhance the efficiency and reliability of transaction reporting.

We have consistently supported **technology-driven streamlining**, underlining three key benefits:

* + **Real-time or near-real-time reporting**, reducing the lag between trade execution and supervisory visibility,
  + **Automated validation and reconciliation**, leveraging smart contracts or integrated API connections to reduce errors,
  + **Improved auditability and security**, as DLT or permissioned ledgers provide immutable records and clear event chains.

However, the **implementation of new technologies must be proportionate**. Non-financial counterparties and smaller market participants require **optional adoption pathways** and **interoperable solutions**, ensuring that innovation does not impose disproportionate costs or technical burdens.

<ESMA\_QUESTION\_CASR\_21>

1. Where do you think the cost associated with dual sided reporting is generated? What would be the cost impact of removing dual-sided reporting (e.g. Substituting reconciliation requirements with other measures such as audits against internal record systems as required in the U.S. or increase interaction among counterparties and NCAs)? Do you consider that dual sided reporting may reduce the ability of reporting entities to fully control the data submitted to authorities? Do you consider that the reporting should be strictly from one side?

<ESMA\_QUESTION\_CASR\_22>

* Removing dual-sided reporting could have these effects:
  + The reporting entity must be fully responsible for the accuracy of the data, with potentially increased audit requirements (unless already in place, e.g., for FCs).
  + Between FCs, there will likely be hardly any impact, as they will continue to maintain appropriate reporting channels for cases where they themselves are the reporting entity.
  + In general, however, the need for reconciliation would be eliminated.
  + Authorities would be spared from investigating mismatches.
  + The transfer of reporting obligations would, in principle, likely be governed by individual contractual arrangements.
  + Slightly increased audit requirements for the reporting entity could also ensure data consistency; the potential for errors would be reduced.

<ESMA\_QUESTION\_CASR\_22>

1. Would you consider the modification of reporting frequency useful under the general objective of reducing the reporting burden, and why? What would be the specific proposals in this regard?

<ESMA\_QUESTION\_CASR\_23>

* Aligning reporting **frequency** with actual **risk and market needs** is a key element of simplification. We have previously stressed that **daily, highly granular reporting** is unnecessary for non-systemically relevant actors in the energy sector, particularly for **hedging trades and low-volume activity**.

Proposed adjustments include:

* + **Risk-based reporting frequency**, where systemic institutions maintain daily reporting while non-financial counterparties could report **less frequently**,
  + **Event-driven reporting** for post-trade updates rather than mandatory daily submissions for all lifecycle events,
  + **Batch processing windows** to reduce operational stress and IT load, while still meeting supervisory needs.

Such changes would directly reduce **operational costs and reconciliation efforts**, aligning with industry calls for **proportionality and burden reduction**.

Effective **standardisation of reporting fields, formats, and lifecycle events** is essential to unlock cost savings and improve data quality. In prior consultations, we repeatedly highlighted that fragmented definitions and divergent templates remain **major cost drivers**. Key measures for improvement include:

* + A **harmonised reporting framework** with **uniform field definitions and identifiers (UTIs, UPIs)**,
  + **Standardised lifecycle event taxonomy**, ensuring that trade updates, margin calls, and novations are **consistently captured**,

Such standardisation reduces **IT complexity, reconciliation costs, and misreporting risks**, thereby delivering meaningful long-term savings.

<ESMA\_QUESTION\_CASR\_23>

1. Proportionality measures: how do you consider proportionality can be taken into account in the context of burden reduction in regulatory reporting? What specific measures would you propose and how would you quantify their impact?

<ESMA\_QUESTION\_CASR\_24>

* Proportionality is a **cornerstone of effective regulatory simplification** and has been **consistently emphasized** by us in previous consultations. Non-financial counterparties, particularly in the energy sector, carry **low systemic risk** and should not be subjected to reporting requirements designed primarily for large financial institutions. A meaningful simplification framework should therefore align the **scope and complexity of reporting obligations** with the **actual risk profile and market role** of the reporting entity.

Applying proportionality in practice means that smaller or non-systemically important entities should face a **reduced reporting burden** compared to banks or investment firms. This can be achieved by simplifying templates, reducing the number of reporting fields, and allowing for longer implementation timelines and co-existence periods during regulatory transitions. Non-financial participants should also have the flexibility to rely on intermediaries, such as clearing service providers, to fulfill highly technical obligations when appropriate.

By tailoring the reporting framework to reflect the **risk contribution and market function** of each segment, proportionality not only ensures **fair cost allocation**, but also **enhances overall reporting quality**. When market participants are not overburdened with disproportionate requirements, they can dedicate their resources to producing accurate, reliable, and timely data, which ultimately benefits supervisors and supports the EU’s market transparency objectives.

<ESMA\_QUESTION\_CASR\_24>

1. Question for reporting entities under EMIR: what is the one-off cost of implementing EMIR requirements to date? This cost should include all cost lines, such as familiarisation with obligations, staff recruitment, training, legal advice, consultancy fees, project management and investment/updating in it. Do you identify any other relevant one-off cost line?

<ESMA\_QUESTION\_CASR\_25>

* We recognise that the implementation of EMIR requirements has involved **significant one-off costs**, especially during the initial rollout and the EMIR Refit phases. These costs include the **familiarisation with regulatory obligations, staff recruitment and training, engagement of legal and consulting support, project management, and extensive IT development or upgrades**. Many entities, particularly non-financial participants in the energy sector, also incurred costs for integrating trade repositories and establishing internal reconciliation processes.

Beyond these core areas, other relevant one-off costs arose from the **customisation of internal risk and reporting systems**, alignment of trade capture and confirmation processes, and the development of audit and validation tools to ensure compliance. Together, these investments were essential to meet the initial reporting requirements but represented a **substantial financial and operational commitment** for market participants.

<ESMA\_QUESTION\_CASR\_25>

1. Question for reporting entities under EMIR: what is your estimated average cost per transaction (on-going cost) to comply with the reporting requirements under EMIR? This cost should include not only the fees associated with reporting through trade repositories (which usually includes data collection and information storage) but also the total cost, including any other cost lines, such as, IT maintenance and support, training, data processing and audit fees. Do you identify any other relevant ongoing cost line?

<ESMA\_QUESTION\_CASR\_26>

* Ongoing compliance with EMIR reporting requirements involves a **continuous cost burden**. The main drivers include **fees to trade repositories**, **IT system maintenance and upgrades**, **data validation and processing**, **staff training**, and **internal or external audit activities**.

For non-financial participants, these costs can be **disproportionate to their systemic relevance**, as maintaining dual-sided reporting and performing regular reconciliation requires **dedicated resources and recurring expenditures**. Any additional obligations, such as implementing new technical standards or adjusting to frequent regulatory changes, further contribute to ongoing costs and operational strain.

<ESMA\_QUESTION\_CASR\_26>

1. Question for reporting entities under MiFIR: what is the one-off cost of implementing mifir requirements to date? This cost should include all cost lines, such as familiarisation with obligations, staff recruitment, training, legal advice, consultancy fees, project management and investment/updating in it. Do you identify any other relevant one-off cost line?

<ESMA\_QUESTION\_CASR\_27>

* The implementation of MiFIR reporting also required **significant one-off investments**, though the nature of these costs differs slightly from EMIR. Firms had to **establish connectivity with Approved Reporting Mechanisms (ARMs)**, adapt trade capture systems for MiFIR-specific data fields, and implement **complex validation and submission workflows** to meet the regime’s transaction-level reporting requirements.

In addition, one-off costs included **legal and consulting services**, **staff training**, **IT project management**, and the **development of monitoring dashboards and reporting quality controls**. The integration of MiFIR reporting with existing EMIR and internal systems was particularly challenging due to **data model differences and fragmented definitions**, which required tailored solutions and significant resource allocation.

<ESMA\_QUESTION\_CASR\_27>

1. Question for reporting entities under MiFIR: what is your estimated average cost per transaction (on-going cost) to comply with the reporting requirements under MiFIR? This cost should include not only the fees associated with reporting through Approved Reported Mechanisms but also the total cost, including any other cost lines, such as, IT maintenance and support, training, data processing and audit fees. Do you identify any other relevant ongoing cost line?

<ESMA\_QUESTION\_CASR\_28>

* The ongoing cost of MiFIR reporting primarily stems from **ARM fees, IT system support, data processing, and internal reconciliation**. Regular updates to reporting standards, coupled with **data quality controls and audit requirements**, create a continuous operational and financial burden. **The majority of NFCs are currently not reporting under MiFIR and hence do not have MiFIR implemented.**

Smaller non-financial entities experience this as **disproportionate**, given that their reporting volumes are often low but the fixed costs of maintaining compliant reporting systems are high. This underscores the importance of **streamlining and harmonisation efforts** to ensure that ongoing MiFIR reporting costs are aligned with actual supervisory needs.

<ESMA\_QUESTION\_CASR\_28>

1. Question for reporting entities under EMIR or MiFIR: Are there other cost-factors that we should consider when estimating the cost saving over a long term horizon?

<ESMA\_QUESTION\_CASR\_29>

* In estimating long-term cost savings, it is important to consider **indirect and opportunity costs** that arise from complex reporting obligations. Maintaining **parallel IT systems**, frequent adaptation to **new templates or regulatory updates**, and the **operational risk of misreporting** all represent significant cost factors over time.

Furthermore, the **fragmentation of reporting channels** and **duplicative reconciliation requirements** not only increase direct costs but also limit the ability of entities to focus resources on core business operations and risk management. Meaningful simplification and proportionality in reporting would therefore unlock not only direct cost savings but also **improve efficiency and reduce operational risk** in the long term.

<ESMA\_QUESTION\_CASR\_29>

1. What are the anticipated investments and transition costs associated with implementing option 1a, 1b, 2a and 2b (e.g. Decommissioning of legacy systems, adapting systems to new changes and future evolving requirements, etc.)? Please provide a detailed breakdown of these costs, including any one-off and ongoing expenses. What is the estimated average cost saving per transaction?

<ESMA\_QUESTION\_CASR\_30>

* Transitioning to any of the proposed simplification options will involve **material investments and transition costs**, though the magnitude varies by option.
  + **Option 1a** will require **moderate IT adaptation**, staff training, and temporary dual-system management. Costs are manageable and front-loaded but offer **early relief through duplication removal**.
  + **Option 1b** introduces **higher short-term complexity**, as maintaining dual flows and reconciliation frameworks temporarily increases operational and IT costs before simplification benefits emerge.
  + **Option 2a** entails **high upfront investments** in system redesign, harmonised data models, and process integration. These costs will be offset over time through reduced duplication and unified reporting flows, delivering **substantial long-term savings**.
  + **Option 2b** carries the **highest initial cost and operational risk**, as it requires multi-regime integration and extensive coordination across sectors. While it promises the largest eventual cost savings and supervisory efficiency, these benefits will only materialise **gradually over a longer horizon**.

For all options, **average cost savings per transaction** are expected to improve as duplication is reduced, reconciliation burdens decline, and reporting becomes more automated and standardised. However, achieving these savings requires **careful transition planning, phased implementation, and robust support for smaller non-financial participants**.

<ESMA\_QUESTION\_CASR\_30>