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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**

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**

# 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 | MFA (Managed Funds Association) |
| Activity | Investment Services |
| Are you representing an association? |[x]
| Country/Region | International |

**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>

Section 2 of the Call for Evidence clearly recognises that the existing transaction reporting requirements “impose significant costs on reporting entities, including inconsistent and duplicative reporting” (¶2). MFA strongly agrees with this assessment.

Substantial financial and human resources must be deployed for transaction reporting compliance. This typically includes developing and maintaining coding rules, monitoring, deploying health checks or building inhouse diagnostic tools, and employing sufficient human resources in operations and compliance to monitor and supervise accurate transaction reporting. Additional costs typically incurred include quality assurance and legal advice to aid rule interpretation when engaging in new trading flows or when new guidance is issued by ESMA or National Competent Authorities (“**NCAs**”).

Section 3 of the Call for Evidence identifies a number of key issues related to multiple regulatory regimes with duplicative or inconsistent requirements. Where member vehicles (funds, SPVs, *etc.*) are in scope, they are required to report similar data fields on counterparty and transaction data under MiFIR, EMIR, and REMIT transaction reports, but with different formats, taxonomies, and submission channels. This imposes a cost that makes the EU a less competitive place in which to invest and do business.

In addition, MFA agrees that one of the key issues shared by market participants relates to dual-sided reporting. Because many reporting obligations are dual-sided, both sell-side and buy-side market participants are independently required to file transaction reports. Buy-side market participants typically will delegate reporting to their sell-side broker/dealer, which means that in practical terms, both sides to the dual-sided reporting obligation are often being fulfilled by one side to the transaction, rendering the buy-side report redundant. Nonetheless, these redundant obligations result in higher compliance costs and operational inefficiencies. As discussed further below, we agree that “improvements can be made to ensure the quality and scope of data reported, without the need for dual reporting” (¶21).

Furthermore, as the Call for Evidence acknowledges, reporting under MiFIR, EMIR, SFTR, and REMIT follows different reporting channels and logic (¶24). We believe this creates inefficiencies and increases costs for market participants. For this reason, as discussed below, we support the “report once” principle.

<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>

We agree with the four key principles set forth in Section 4.1:

1. Preserve information scope
2. Decrease overlaps to reduce reporting burden.
3. Ensure global alignment.
4. Balance cost and benefit.

<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>

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<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>

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<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>

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<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>

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<ESMA\_QUESTION\_CASR\_6>

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

<ESMA\_QUESTION\_CASR\_7>

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<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>

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<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>

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<ESMA\_QUESTION\_CASR\_9>

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

<ESMA\_QUESTION\_CASR\_10>

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<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>

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<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>

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<ESMA\_QUESTION\_CASR\_12>

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

<ESMA\_QUESTION\_CASR\_13>

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<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>

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<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>

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<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>

We support a mix of Options 1 and 2, without agreeing with any one option or suboption in its entirety.

We strongly support the “report once” principle, with reporting obligations for each trade falling on a single counterparty (*i.e.* no dual-sided reporting and by default the party with more information reports) and to one regime only (depending on the type of instrument) similar to the MiFIR post-trade transparency regime. The instrument scope should be segregated per regime to ensure firms truly report only once: cash products are reported under MiFIR; derivatives are reported under EMIR; SFTs are reported under SFTR; and physical commodities/non-derivatives are reported under REMIT.

Market participants should be able to report transactions to a single portal, with the various competent authorities having the ability to access the data. Such an approach would significantly reduce the reporting burdens on market participants, who are now frequently required to report transactions to as many as 27 separate portals, with many requiring different reporting formats. Not only would this reduce the costs of reporting, and thereby benefit investors who bear the ultimate cost of reporting requirements, but it also would provide regulators with more consistent data and make it easier for them to aggregate data across the EU to monitor for systemic risk.

While we support the “report once” principle, we do not believe the goal should be to create a unified template for reporting information that was previously distributed across various regimes. A different reporting template may be appropriate for each type of instrument. It is unnecessary, and likely counterproductive, to create a unified template—divergence may be desirable. Furthermore, creating a unified reporting template would be extremely time-consuming given the number of different reporting regimes in the EU.

ESMA should consider, whenever possible, assigning the transaction reporting and post-trade reporting obligations to financial market infrastructure (*i.e.* trading venues and clearing houses, as applicable) rather than market participants.

<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>

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<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>

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<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>

As discussed above, we support the creation of a single, central data hub in the EU by developing a framework where entities would report consistent and harmonised data directly to the hub, with NCAs having access to the centrally held data.

However, any such arrangements should not change the fundamental supervisory structure of investment fund management firms in the EU.

<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>

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<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>

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<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>

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<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>

MFA recommends that the EU eliminate dual-sided reporting obligations in favour of single-sided reporting where the dealer—the party executing the transaction that is currently subject to a myriad trade reporting obligations—is solely responsible for fulfilling the reporting obligation.

There is no need for dual-sided reporting, which is duplicative, and increases the likelihood that regulators will receive inconsistent data covering the same trade. We note that often (but not always) the executing dealer has entered into an agreement with the non-dealer (buy-side) counterparty to report transactions on the non-dealer’s behalf.

From a policy perspective, the regulatory authorities will receive more than sufficient information from the sell-side dealer in the transaction; the sell-side dealer is usually also in a better position in terms of systems and infrastructure to gather and report information (given it has systems and infrastructure to deal with typically large numbers of clients).

Furthermore, firms are typically required to maintain transaction data for a period of five years. Thus, regulators can always request data from the buy-side in the event it is necessary to confirm the details of transactions.

Imposing the reporting obligation also on buy-side firms places a considerable burden on asset managers, particularly smaller firms, with no measurable benefit. The cost associated with dual-sided reporting is a significant barrier to entry for new asset managers, which is contrary to the EC’s stated objective of enhancing the integration of the EU capital markets and supporting their modernisation.

Finally, eliminating dual-sided reporting obligations would also result in the EU being more aligned with other global financial centres including the U.S. and Hong Kong; we note also proposals currently under consideration by the UK’s FCA in relation to the scope of MiFID transaction reporting.

In the U.S., transaction reporting for equity securities is governed by rules of the Financial Industry Regulatory Authority (“**FINRA**”) and the Securities and Exchange Commission (“**SEC**”). For OTC equity securities, FINRA rules provide that (i) in transactions between two broker-dealer members, the executing party shall report the trade and (ii) in transactions between a broker-dealer member and a non-member or customer, the broker-dealer member shall report the trade. A fund manager providing asset management services does not need to report under the FINRA rules unless it is dually-registered as a broker-dealer. Similarly, only FINRA-regulated firms report fixed income security transactions to the Trade Reporting and Compliance Engine (“**TRACE**”). Exchange-traded equity securities are reported by national securities exchanges according to FINRA and SEC Rules. The trade reporting obligation, therefore, does not lie with asset managers.

In Hong Kong, discretionary investment managers are not subject to transaction reporting. Reporting requirements can apply to ‘relevant regulated intermediaries’ (“**RRIs**”), i.e. persons who, for Hong Kong-listed securities, (i) submit on-exchange orders for execution, or (ii) conduct off-exchange trade reporting. Fund managers would only be considered RRIs (and therefore be subject to the reporting regime), if they provide certain services, such as brokerage services. By doing so, the fund manager is acting in a ‘securities broker’ role. However, if the fund manager were providing asset management services instead, the executing broker would instead be responsible for such identification/tagging. A licensed manager of a fund or investment account would only be providing brokerage services (and therefore be considered an RRI subject to reporting) by executing trades on a non-discretionary basis (e.g. where it acts as a central dealing desk to execute trades on behalf of offshore affiliate that makes the investment decision). However, a discretionary manager would not be considered an RRI and would therefore not be subject to reporting.

In Singapore, there are no equivalent transaction reporting requirements analogous to those under MiFID. Instead, the Monetary Authority of Singapore (“**MAS**”) relies on the Singapore Exchange to conduct market surveillance, monitor for market manipulation, and report suspicious trading behaviour to the MAS as necessary.

In the Abu Dhabi Global Market (“**ADGM**”) and Dubai International Financial Centre (“**DIFC**”), there are no equivalent transaction reporting requirements on buyside firms that are analogous to those under MiFID. In these jurisdictions, a combination of reporting from trading venues, suspicious transactions and order reporting from authorised firms, and other monitoring tools provide a framework to support the regulators’ market monitoring capabilities.

These examples demonstrate support internationally for the notion that buyside firm reporting is not a necessary component of regulators’ market monitoring tools, and that sell-side reporting is a more appropriate means of providing this data.

<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>

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<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>

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<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>

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<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>

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<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>

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<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>

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<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>

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<ESMA\_QUESTION\_CASR\_30>