<u>Appendix – Identifying opportunities to streamline reporting in the short to medium term</u>

Outside of the proposed Level 1 changes outlined with our responses to the questions above, the Associations have identified additional ways to streamline transaction reporting in the short to medium term. Some of them do not necessarily require legislative changes. These are detailed below.

- The full **removal of corporate actions obligations** from the scope of MiFIR reporting. The reportability of corporate action events is inconsistent and complicated to accurately determine as the processing of corporate actions is often manual in nature and does not form part of the reporting firm's execution records. An exemption for corporate actions should be considered in line with the existing exemptions for settlement and clearing events.

- **A considered analysis on the requirements for identifying investment and execution decision makers under MiFIR**. We believe there are alternatives to the personally identifiable information (PII) currently being used that will maintain the rigor of the data provided on decision makers to allow the detection of market abuse.

- Removing the **reporting obligation attached to EU branches of third country investment firms** when executing on an EU trading venue under MiFIR. Coupling this with requiring EU trading venues to report all transactions executed on their systems by third country investment firms, irrespective of whether an EU branch was involved in the transaction, would simplify: i) the reporting obligations and process for many market participants, ii) remove some of the duplicative reporting, and iii) align with the approach put forward in the FCAs discussion paper on the UK MiFIR transaction reporting (see question 3).

- **EMIR Reconciliation**: In light of the removal of dual-sided reporting within the Options presented in the CfE, and therefore the removal of matching requirements between counterparties, we would propose the suspension of phase 2 of EMIR REFIT (scheduled for 2026), which will expand matching activities to a very broad array of fields. Additionally, we recommend all fields identified as optional should not be subject to reconciliation, including those fields already required to be matched. This would further pave the way for a move to a single sided reporting model.

- **Guidelines & Q&A**: The Guideline documents ESMA have produced for transaction reporting have been extremely useful. Additional ESMA guidance is then published as a Q&A. ESMA will also provide bilateral responses to firms and/or trade associations to questions submitted. While this guidance is welcomed and helps lead to complete and accurate reporting, it does become challenging to manage the information across several sources. Consolidating all the latest ESMA feedback into updated Guideline documents, which would then be updated periodically and act as the single source or ESMA Level 3 guidance, would be easier for the industry to manage and more likely lead to consistent interpretations of requirements.

- **Regular timeframe for change process:** Further to the above point on additional guidance provided by ESMA, updates to the Guideline documents should be only published once or twice a year at predetermined time periods, e.g. end of Q1 and end of Q3. Establishing a predetermined timeframe for producing updates to the reporting guidance will allow market participants to plan and budget for such changes more easily, and implement any updates more efficiently.