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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.

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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**

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| --- | --- |
| Name of the company / organisation | Spanish Banking Association |
| Activity | Banking sector |
| Are you representing an association? |[x]
| Country/Region | Spain |

**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>

*Introduction*

The Spanish Banking Association (“**AEB**”) welcomes the opportunity to provide the feedback to the proposals in the Call for Evidence (“**CfE**”) to achieve simplification and burden reduction in financial reporting.

Moreover, the AEB also considers that this simplification is a great opportunity to boost the capital markets union promoting an efficient and effective alignment in the supervisory expectations and criteria across the European Union. At this regard, we also consider that the European legislators and ESMA have the chance to reflect the lessons learned from the existing frameworks in a simpler and robust report which can also increase the competitiveness of the union´s financial markets*.*

General comments

Reporting obligations overlap in scope in several areas, as evidenced by the expansion of EMIR to include ETDs and MiFIR to cover OTC derivatives or reporting requirements of SFTs with central banks. This overlap is further exacerbated by the 2024 MiFIR review, which broadens the range of transactions to be reported by including pure derivatives traded outside systematic internalisers, MTFs or OTFs. The fact that the instruments in scope are the same and considering the disadvantages of Option 1, should trigger a long term and definitive reform of the reporting model in the EU which in our view will be achieved though the implementation of a single framework (Option 2), rather than progressively expanding each specific block.

In any case, the AEB´s opinion, is that the selected option/approach should at least:

* Cover MIFIR, EMIR and SFTR (potentially expand to other reporting regimes on a second stage),
* remove dual sided reporting,
* reduce the number of reportable fields,
* align concepts across the regulatory regimes (in case these are maintained), and
* suspension of ongoing, planned and future regulatory reporting reviews as done with MIFIR RTS 22. In particular, we refer to phase 2 of EMIR REFIT which is scheduled for 2026 or the potential review of SFTR requirements.

Finally, the solution should also carefully assess cross boarder implications and ensure appropriate oversight of EU financial markets to avoid a situation where third country firms operating via EU branches in EU trading venues end having less reporting requirements than EU firms.

In general, the AEB agrees with the key challenges included in the CfE. In our view, the top 3 sources of costs are:

* **Duplicate reporting of the same instruments**: the reporting obligations overlap in scope in several areas, as evidenced by the expansion of EMIR to include ETDs and MiFIR to cover OTC derivatives or reporting requirements of SFTs with central banks. This overlap is further exacerbated by the 2024 MiFIR review, which broadens the range of transactions to be reported by including pure derivatives traded outside systematic internalisers, MTFs or OTFs.
* **Dual-sided reporting obligations** together with the additional reconciliation requirements between counterparties and inter trade repositories as well as the maintenance of delegation agreements.
* **Different reporting channels across EMIR, MiFIR, SFTR and REMIT,** which entails separate databases, multiple IT and operational processes, increase staffing and consultancy costs, as well as different control frameworks.
* In addition to the above, compliance costs include becoming familiar with the regulatory obligations, initial and ongoing staff training, legal and IT advisory services, consulting fees, investments to acquire and update internal systems, data processing and security, data quality management, and costs related to the management of regulatory or efficiency projects after each update -the three regulatory frameworks introduce numerous requirements (not all of which can be easily or cost-effectively automated), and many of them are neither clear nor easy to interpret (particularly considering the lack of consistency between the different regulatory blocks in some cases). Furthermore, a large number of competent authorities are involved in the supervision, and in some cases Member States impose additional requirements at the national level All of this is compounded by the frequency and disruptive nature of regulatory updates, which do not always provide institutions with sufficiently long adaptation periods. Also, because these updates have added complexity to the legal framework.

However, we consider it essential to significantly improve the clarity and definition of concepts in Level 1 and Level 2 rules, and to a lesser extent in ESMA guidelines. The lack of precision in regulatory texts continues to generate interpretative challenges and implementation inefficiencies.

Additionally, we believe that the frequency of regulatory changes should be reduced. Constant updates create instability, increase operational costs, and hinder long-term planning. A more stable and predictable regulatory framework, with coordinated and phased implementation timelines, would greatly enhance compliance efficiency and reduce unnecessary complexity across reporting regimes.

<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>

Overall, the AEB agrees with the proposed principles in the call for evidence. Nevertheless, we suggest considering additional solutions to increase the efficiency of the final option (be it Option 1, Option 2 or any other) to reduce the reportable fields of the counterparty data and reference data from financial instrument. We therefore suggest ESMA to explore the viability of implementing centralised databases with the necessary counterparty and instrument data to ensure efficient supervision while reducing the reportable fields

<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>

In our opinion, Option 1a seems to initially cover most of the key challenges identified in Section 3. The main benefits of this option are: (i) the potential elimination of the dual sided reporting and (ii) the removal of duplication of reporting across regimes. However, Option 1a maintains various L1 regulations which need to coexist and be integrated again by the financial market industry. Consequently, several reporting templates will be maintained with this Option. This also entails a deep review of the templates to be used under EMIR and MIFID mapping these with the proposed approach of post trade event management. Therefore, we consider that the exercise and assessment that ESMA and the legislator need to do in each of two texts and in the corresponding RTS is complex. Today, it might be the option to achieve quick wins but in the long-term Option 1a does not implement a simple reporting framework. It does not solve the issue of maintaining several IT systems and entails the need to integrate and harmonize concepts in the two regulatory texts. Moreover, , one of the main weaknesses of Option 1a is not capturing SFTR.

Consequently, we consider appropriate to create a unified reporting template based on the “report once” principle which would replace the multiple existing reporting frameworks. We consider that the “report once” principle addresses the underlying issue and enables effective compliance with the European Commission’s burden-reduction objectives, while simultaneously strengthening data quality and the sector’s competitiveness. Therefore, the AEB recommends the implementation of Option 2a.

Nevertheless, should ESMA opt to implement Option 1a, the AEB proposes to address the existing inefficiencies with the following corrective measures:

* 1. Eliminate certain fields and/or validations. Specifically:
* Cease validation of LEI status, at least in events other than NEWT.
* Deletion of dual-sided reporting should be a commitment within Option 1a. As described this option a “revision of dual sided reporting” it seems to be an intention not a commitment.
* Cease requesting data already known to the industry and publicly available: counterparty data (nature, sector, etc.), issuer and issuance data (from GLEIF and FIRDS, etc.), daily valuation data of listed instruments or ISIN-traded operations. Currently, information related to issuers and issuances is reported even though it is publicly available. The requirement to report transaction-specific information (counterparty, collateral, etc.) is considered reasonable, as only the parties hold such data. However, other data are public and can be obtained or inferred by supervisors from multiple sources (FIRDS, ANNA, information providers, etc.). In our opinion, there is limited supervisory benefit of receiving such information while the obligation creates additional costs to reporting firms.

2. Unify the recipient of all reports. Instead of sending reports to different actors (trade repositories under EMIR or SFTR, or competent authorities under MiFIR), it would be more efficient to submit all reports to a single authorised repository at EU level, with the information subsequently shared among the authorities entitled to use it.

3. Other measures that could positively strengthen the framework, even if still duplicated, include:

* Creating a single data dictionary with harmonised definitions to avoid problems and additional costs (currently, each regime uses different terminologies and fields for equivalent concepts).
* In the event of regulatory reforms, requiring regulators to follow a single, coordinated implementation timeline, enabling entities to plan and optimise resources.
* Introducing exclusion thresholds or simplification measures, or reducing reporting frequency, to allow medium and small entities to compete with large international groups.
* Removal/limitation of back-reporting requirements (ie. correct data where applicable rather than resending the entire report)

For all these reasons, although the “report once” principle represents the most effective medium-term solution, in the absence of a single framework, it is essential to eliminate the most evident duplications identified above

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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>

In addition to the limitations included in question 3, we consider that:

* Option 1a is limited in scope and does not include SFTR in the first place. In our opinion, the simplification should include SFTR and a firm commitment to delete dual sided reporting.
* In terms of regulatory frameworks, the reporting of post trade events (point 3 of key components under Option 1a) does not contain sufficient information to assess how it will be implemented. In particular, it is not sufficiently detailed how the calculation of positions with transactional data will be executed, so we cannot conclude if this is an actual benefit or if it adds complexity to an existing requirement that both participants and CCPs fulfil already. There is a potential risk of creating gaps or data quality issues with this change, especially in ETDs.
* Option 1a entails adaptation of templates and maintenance of different regulatory texts. Also, a change in the reporting logic that will probably affect more than one system in each firm.
* Trade Repositories need to adapt to the changes too.
* We believe this Option needs to be further clarified as it is not clear if OTC derivatives that are cleared should be reportable under the new scope proposed for EMIR.

Finally, at cost reduction level, Option 1a does not seem cost efficient in the long term either. Firms will need to maintain several systems, reporting channels, control frameworks and the assessment that needs to be done to implement legislatively speaking the changes in each rule is also highly complex.

<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>

Please refer to Question 4. In addition, where Option 1a is expanded to SFTR, we suggest consolidating the template to report REPO and buy/sell backs

<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>

Option 1b is not viable from our point of view. Although a simplification by events is proposed, the integration of SFTR and the redistribution of responsibilities between MiFIR and EMIR involve a profound restructuring of current systems, leading to high costs and a loss of efficiency

In this sense, we do not see benefits in modifying the existing approach and treating post trade events separately since this will probably entail deep changes to existing reporting logics and systems of market participants

<ESMA\_QUESTION\_CASR\_6>

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

<ESMA\_QUESTION\_CASR\_7>

In our view, Option 1b is more complicated and costly to implement than Option 1a.

The risks of option 1b are high. The fragmentation between events and transactions may create gaps in the information. In addition, data integrity is compromised and supervision becomes more difficult

<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>

In our opinion, Option 1b is too complicated to implement since post trade events are linked to the initial transaction/trade and maintains the complexity of having coexisting reporting frameworks

 <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>

In our view, Option 2a addresses most of the issues in Section 3 of the CfE and has several advantages:

I.- Advantages associated with the effective reduction of costs and operational burdens:

While the sectoral approach in Option 1 generates duplications and a potential lack of coherence which hampers European competitiveness, the unified approach proposed in Option 2a, on the other hand, creates synergies for all stakeholders involved:

* it creates a single framework which is, in essence, a simpler structure than the existing one**.** The goal would be to implement a common L1 text and one RTS with also a common set of validation rules. This will avoid the frequent changes and the need to coordinate and synchronize with other reporting rules since there will only be one set of rules. Any further maintenance and adaptation of the Level 1 and the RTS will be lighter both for firms and for NCAs.
* The initiative to converge reporting frameworks will enable European investment service firms to increase efficiency and competitiveness, as they would be able to allocate fewer resources to comply with regulatory requirements and more to managing real risks. Centralisation avoids recurring parallel system update costs each time a regime is amended. Firms could, for example, implement a single database with the corresponding long-term cost reduction and a single reporting channel should ESMA create a single point of access.
* Supervisors would have easier access to information if it were centralised in a single repository, and data exchange between authorities would be facilitated. This would reduce ad hoc queries to entities and simplify the supervisory process.
* Firms will not need to reconcile with the counterparties but will do so with the internal registries. NCAs will still have the reports submitted by the trading venues to monitor from a market abuse perspective.
* Introducing proportionality measures reduces fixed IT costs, which disproportionately affect medium-sized entities. Therefore, a single reporting framework lowers entry barriers that currently discourage new players from entering the market, as well as scale barriers that disincentivise the growth of smaller players. The European market could thus regain competitiveness against other, more flexible jurisdictions.

II.- Single template and specific recommendations

It is necessary to bring together the three daily reports—MiFIR, EMIR and SFTR—and the most competitive approach would be to create a single reporting template based on the MiFIR template, incorporating derivatives (EMIR) and securities financing transactions (SFTR). In parallel, position reporting could be simplified to reduce where feasible the number of reports submitted by financial entities. Removing the position-level reporting has significant implications that must be carefully considered, as moving from a highly detailed situation like the current one to a scenario with much less information may lead to additional challenges in supervising systemic risk.

This could be combined with the possibility of establishing different validations within the single template by type of SFT, since many fields apply only to certain transactions.

To ensure that this approach is efficient it becomes essential to create a single data dictionary for all regimes to reduce errors and reconciliations.

In case the three different reporting regimes are maintained instead of creating a single regulation with its RTS and ITS, a better coordination of reform timelines would be a must. ESMA should ensure synchronised windows for regulatory changes, avoiding fragmented reforms every two to three years.

<ESMA\_QUESTION\_CASR\_9>

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

<ESMA\_QUESTION\_CASR\_10>

This approach is subject to two major limitations, namely a potential gap in terms of market abuse and the time required for a reform of this magnitude. However, the benefits obtained in the long-term with this option will compensate these limitations and potentially others.

First, the underlying needs that justify reporting obligations are based on different objectives: one seeks to prevent market abuse (MiFIR transaction reporting), while the other seeks to address counterparty risk (EMIR). Nevertheless, given there is a large data overlap, it is required a more efficient distribution of information, each supervisor should be able to extract the information required and apply it to its specific purpose.

Second, such a reform would entail a costly transition In this sense, It is very important to consider that, although the current situation creates overlaps and is not the most efficient, entities already have the systems in place, process in which significant effort has been invested in terms of cost and human resources.

In this regard, the solution proposed in option 2 is considered very attractive, but the effort required in terms of cost (investment in resources, training, etc.) must be carefully evaluated to ensure that the final outcome of the reform results in savings substantial enough to justify the significant investment required.

In this sense, we consider that the effort required to implement options 1a or 1b would not be sufficiently offset by savings, whereas this balance could be achieved with option 2

<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>

We have identified several elements that would need to be considered to ensure a successful implementation of this option.

* Centralised reference databases managed by ESMA for emissions (including fields such as issuer LEI and jurisdiction), counterparty data (such as corporate sector) and financial instruments (credit quality, maturity and currency). This would support the cost reduction objective.
* Centralised reporting by financial entities (and CCPs) should capture Agent Lenders for triparty repos.
* Reportable fields: It is not clear if option 2a includes a wide review of the reportable fields to ensure simplification while preserving the quality of the information for supervisors. It is relevant to perform a comprehensive review of existing fields to eliminate any data elements that do not serve the purpose of the respective regimes.
* Remove the reporting obligation of corporate actions since it adds complexity to the reporting model.
* Backdated reporting rules should be harmonized and simplified across all regimes. We propose reporting only the latest event when backloading is required.
* Removing re-use reporting and settlement fails since we consider that these requirements could reduce the reporting burden without compromising supervisory needs.
* Create a single access repository where firms should report a single template enabling also to have a single reporting channel for reporting entities under the new reporting regime.

In addition to the above points which are missing in the proposal, we consider that the approach to position calculation should be further addressed. According to this option, CCPs and financial entities will be reporting, so it is not clear how positions will be calculated based on transactional data since the actual model already collects valuations and collateral data at position level

<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>

In our opinion, Option 2b would be a second stage of Option 2a <ESMA\_QUESTION\_CASR\_12>

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

<ESMA\_QUESTION\_CASR\_13>

Option 2b entails a greater assessment effort which at this point may delay the simplification of the main reporting frameworks which impact all entities operating in the financial markets

 <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>

In a later stage, we consider that Option 2 should consider the integration local reporting requirements that are fulfilled with NCAs.

<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>

We support a single transaction reporting framework (the “report once” option), integrating MiFIR, EMIR and SFTR on the basis of the MiFIR template, with a single format and unique reporting channel for authorities.

This option would allow for a structural change to reduce costs with lower future complexity, strengthening European competitiveness without diminishing supervisors’ analytical capabilities

<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>

Please refer to the suggestions included in the questions above since we consider these complement options 1 and 2 or may be used to create an alternative option 3

<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>

In our view, the highest simplification in the medium-long term is achieved with Option 2 since it enables the implementation of a single reporting channel to a single authorised registry (be it managed by ESMA or by an authorised third party) This promotes IT efficiency and cost reduction in terms of resources and system maintenance together with the rest of the benefits described in our response

<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>

We see certain advantages in transferring the information of execution to trading venues but in our view, the existing reports from trading venues submitted for market abuse supervision purposes are necessary to contrast information from firms while firms provide additional information related to the execution (especially related to investment decisions and beneficiaries). Therefore, this is a possibility that entails certain advantages especially for investment firms who will reduce the number of reports, however, it needs to be assessed how the information of the counterparties that is currently submitted by firms would provided to NCAs to ensure they can carry out with their supervision

<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>

We fully support the proposal of exploring a single access point to centralise all information reported under this new approach. This database should operate as a central repository, granting delegated access to national authorities so as not to compromise their local supervisory capacity

<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>

The main disadvantage is the one off change to be implemented by firms and impact in the existing structures and financial markets landscape. However, in our opinion it is more beneficial in the long term for the reasons explained throughout our response

<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>

We strongly advocate for a fundamental shift towards a single sided reporting obligation, under which only one party to a transaction is responsible for reporting. Dual reporting should be eliminated, as it creates excessive complexity, duplication, and costs without delivering proportional improvements in data quality.

The current dual sided reporting regimes under EMIR and SFTR require both counterparties to submit identical information. This consumes significant resources and necessitates reconciliation mechanisms, which add operational burdens. Although reconciliation can enhance data quality, equivalent results could be achieved through less burdensome methods, such as periodic audits or the publication of quality metrics. Such measures would reduce costs while maintaining the reliability of reported data.

The implementation of single sided reporting must, however, be supported by clear and simple rules for determining which counterparty has the reporting obligation. Otherwise, complexity risks undermining the intended benefits. Importantly, this approach is already in place in several leading jurisdictions, where it has demonstrably reduced complexity, costs, and administrative burdens.

By contrast, the current delegated reporting framework imposes an unjustified and disproportionate cost and administrative burden on market participants. Although the EMIR Refit of 2019 introduced mandatory delegation for certain counterparties, which significantly reduced reporting tasks, the overall model remains far from being optimal. Where mandatory delegation does not apply, both parties must still report, perpetuating duplication and costs.

From the perspective of entities that report on behalf of their counterparties, the following problems are particularly acute:

* Infrastructure and Personnel Costs: Maintaining the systems, processes, and personnel required for getting certain information from the counterparty, preparing and entering into delegated reporting agreements that often include a long negotiation, setting up the systems for the delegated reporting, solving the doubts and sharing the relevant data with the counterparty.
* Cost of maintaining the transaction in the TR: The TRs charge per trade (so, twice for each trade reported, the one for the reporting counterparty and the other one for the non-reporting counterparty) and reporting counterparties are not able to charge the same amount to the thousands of counterparties (it is an amount per trade in the TR, not when entering the transaction.
* UTI information: The UTI is necessary to be able to report a transaction, the counterparties must agree who will issue the UTI and if the data is not shared in a timely manner, the other counterparty will breach the reporting obligation or issue another UTI, which will result in a mismatch. Single side reporting does not mean that the UTI is not informed, but that the reporting counterparty (subject to clear rules about who has this role) will be the part issuing the UTI and will share it, there will not be duplicated UTIs or changes to solve an error.

Responsibility: Delegating reporting does not absolve firms (under voluntary delegation) of their ultimate responsibility. In addition, reporting counterparties must warn them when certain situations affect the reporting

<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>

No, in our opinion, the T+1 deadline is already implemented across all regimes and in general, entities have successfully implemented the processes to meet this deadline

 <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>

In our opinion, proportionality would be achieved by reducing the reportable fields to those required for supervisory purposes and by avoiding duplicative reporting

 <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>

The dual-sided reporting obligation in EMIR (and, to a lesser extent, also in SFTR) is a cost-factor at several levels:

* Methods and approaches need to be agreed in the industry on regarding how to report certain instruments and events, since the reality of financial derivatives markets is much richer and more complex than that contemplated by the ESMA guidelines (even though these are much broader and much more detailed than the L1 and L2 standards). In fact, reaching such agreements is a goal that is never achieved.
* Reconciliation requirements add further operational burden, especially when counterparties report the same transaction differently due to interpretation differences. This leads to costly exception management and manual interventions.
* Error propagation in SFTR: Unlike EMIR, SFTR does not include a specific event type such as REVI (revive) to correct or reverse erroneous submissions. Then, when a counterparty mistakenly communicates an early termination (ETRM) or error (EROR), it affects both parties—even if the other has reported correctly. The entire transaction and all related post-trade events (e.g. daily collateral updates, renegotiations) must be re-reported with a new UTI by both entities, generating unnecessary duplication and operational effort. This lack of flexibility increases the operational burden and complexity of error handling, as there is no straightforward mechanism to amend or revoke incorrect reports without restarting the entire reporting process.

These examples illustrate that beyond system development and maintenance, coordination, exception handling, and error correction are significant cost drivers that should be factored into any long-term cost-saving analysis.

As we already mention in our response to Q22 regarding the specific cost associated with dual sided reporting (please refer to that response for further clarifications), from the perspective of entities that report on behalf of their counterparties, the following problems are particularly acute:

* Infrastructure and Personnel Costs: Maintaining the systems, processes, and personnel required for getting certain information from the counterparty, preparing and entering into delegated reporting agreements that often include a long negotiation, setting up the systems for the delegated reporting, solving the doubts and sharing the relevant data with the counterparty.
* Cost of maintaining the transaction in the TR: The TRs charge per trade (so, twice for each trade reported, the one for the reporting counterparty and the other one for the non-reporting counterparty) and reporting counterparties are not able to charge the same amount to the thousands of counterparties (it is an amount per trade in the TR, not when entering the transaction.
* UTI information: The UTI is necessary to be able to report a transaction, the counterparties must agree who will issue the UTI and if the data is not shared in a timely manner, the other counterparty will breach the reporting obligation or issue another UTI, which will result in a mismatch. Single side reporting does not mean that the UTI is not informed, but that the reporting counterparty (subject to clear rules about who has this role) will be the part issuing the UTI and will share it, there will not be duplicated UTIs or changes to solve an error.

Responsibility: Delegating reporting does not absolve firms (under voluntary delegation) of their ultimate responsibility. In addition, reporting counterparties must warn them when certain situations affect the reporting

<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?

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