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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**

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| Name of the company / organisation | The Investment Association |
| Activity | Investment Services |
| Are you representing an association? |  |
| Country/Region | UK |

**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>

The Investment Association (IA) champions the interests of the UK-based investment

management industry. We represent 250 investment managers, a third of which are

headquartered in the EU and who collectively operate from 642 offices across the EU.

Our members put €10.6 trillion to work in the economy, representing 37% of the €28.6 trillion of

assets managed in Europe. They manage €2.5 trillion for Europeans and invested €843 billion

into EU businesses and projects last year while providing access to global investment

opportunities.

We agree with the description of challenges outlined above, particularly strongly so in terms of frequent regulatory changes, duplication and inconsistencies across regimes.

In addition, the current MiFIR transaction reporting regime presents several challenges for investment firms, particularly in terms of proportionality, complexity, costs and operational burden:

1. **Disproportionate Cost Impact on Small to Medium-Sized Firms:**  
   Firms with lower trading volumes often face minimum charges or higher per-trade fees, which limits their ability to benefit from volume-based pricing. This creates a disproportionate cost burden compared to larger firms and is not typically seen in other operational areas.
2. **Complexity and Duplication in Dual-Sided Reporting**  
   Dual-sided reporting introduces reconciliation challenges, especially when counterparties are located in different jurisdictions. The lack of harmonisation across regimes increases the risk of mismatches and operational inefficiencies. There is broad support for simplifying the regime through single-sided or venue-led reporting, provided it is implemented consistently across jurisdictions.
3. **Regulatory Overlap and Fragmentation**  
   The overlap between MiFIR and EMIR creates confusion and duplication. A clearer delineation—such as MiFIR covering exchange-traded derivatives and EMIR covering OTC derivatives—would help streamline compliance and reduce reporting burdens.
4. **Limited Vendor Competition**  
   The concentration of Approved Reporting Mechanisms (ARMs) and the complexity of reporting rules limit competition and innovation in the vendor space. Members suggest that simplification of the regime could encourage new entrants and reduce dependency on a few providers
5. **Lack of Access to Counterparty Data**  
   In the current dual-sided model, firms often lack visibility into the data submitted by their counterparties, making it difficult to validate or reconcile reports. Any move to single-sided reporting would need to address this gap to ensure firms can maintain effective oversight and control frameworks.

<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 support ESMA’s principles (namely to preserve information scope, reduce overlaps, ensure global alignment, and ensure a balance of cost/benefit). We recommend adding:

* An explicit EU competitiveness principle and cross‑jurisdictional alignment (especially with the UK FCA) to avoid structural disadvantages for EU firms.
* A “data used” test—collect only fields demonstrably used by authorities.

<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 delivers immediate overlap removal (ETD under MiFIR; OTC under EMIR) with lower implementation risk than wholesale redesign. It is the most practical vehicle to implement single‑sided reporting quickly, because it limits change to scope delineation and assurance rather than building an entirely new framework.

Removing duplications helps reduce the volume of data that firms must process and reconcile, which in turn lowers compliance costs. This is especially important for smaller firms that face disproportionate burdens under the current regime. <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>

**Risk of Oversimplification**

A fixed separation by instrument type may not fully account for complex or hybrid instruments that share characteristics of both OTC and exchange-traded derivatives. This could lead to gaps or inconsistencies in reporting coverage.

**Mitigation**: Clear definitions and guidance should be provided to ensure consistent classification of instruments. A mechanism for handling edge cases or exceptions should be built into the framework.

**Jurisdictional Misalignment**

If Option 1a is not adopted uniformly across EU member states or aligned with third-country regimes, firms operating cross-border may face conflicting requirements or duplicative obligations.

**Mitigation**: ESMA should coordinate with national competent authorities and international regulators to promote harmonised implementation and mutual recognition of reporting responsibilities

**Surveillance**: Ensuring market‑abuse surveillance remains effective where relevant data points shift under EMIR.

**Mitigation**: a narrowly‑scoped, common data dictionary and calibrated assurance (audit) measures so single‑sided reporting preserves information scope without re‑creating dual collection through reconciliation. <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>

1. An industry‑standard data dictionary to align terminology/fields; 2. a clear assurance model (audits, quality metrics, supervisory follow‑ups) to replace inter‑counterparty reconciliation; 3. a UK alignment plan to avoid cross‑border frictions. All three enable single‑sided to work at scale. 4. Establish a process that enables Non-EU sell-side participants to independently register their reporting obligations, thereby supporting an open and efficient capital market without unnecessary barriers. 5. Continued support for OTC ISIN. OTC ISIN includes high quality data which could reduce the number of reporting fields and which ESMA has shown increases data accuracy. <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 support 1b. See Q7<ESMA\_QUESTION\_CASR\_6>

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

<ESMA\_QUESTION\_CASR\_7>

While in theory it reduces overlap; in practice it complicates workflows and weakens the structure for single‑sided reporting where multiple reports will be required. We do not support 1b

<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>

We do not support 1b. See Q7

<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 — the “report once” principle — offers a transformative approach to transaction reporting. In particular:

* Elimination of Duplication Across Frameworks,
* Improved Efficiency and Cost Reduction,
* Enhanced Data Consistency,
* Harmonisation and Integration,
* It promotes Innovation and Vendor Competition.

Option 2a offers a drastic solution to many systemic issues identified in section 3. Successfully implementing it would take a large effort from all parties and robust frameworks would need implementing with heavy engagement from the industry. However, the potential benefits are substantial.

<ESMA\_QUESTION\_CASR\_9>

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

<ESMA\_QUESTION\_CASR\_10>

These include:

* High implementation cost,
* Multi‑regime legal change,
* Long timelines and potential data gaps (e.g., NFC–NFC),
* Risk of misalignment across jurisdictions.

Single‑sided under 1a offers earlier, safer net benefits.

A key concern would be the loss of granularity within each regime, especially within SFTs. All participants would need heavy engagement to ensure all instances are covered

<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>

**Loss of Control and Oversight**

Delegating reporting responsibilities to counterparties (e.g. brokers or trading venues) may result in asset managers losing visibility over the data submitted on their behalf. This undermines firms’ ability to maintain robust control frameworks and meet accountability requirements.

**Mitigation**: Firms should retain access to the full dataset submitted by the delegate, with clear audit trails and validation mechanisms. Regulatory guidance should clarify the accountability model and minimum oversight standards.

**Inconsistent Data Quality and Interpretation**

Delegates may lack the necessary context to accurately report certain fields, particularly those relating to investment decisions or internal processes. This can lead to misreporting or incomplete submissions.

**Mitigation**: ESMA should define a minimum set of fields that must be provided by the delegating firm and offer standardised templates to ensure consistency. Training and certification for delegates may also help improve data quality.

**Operational Readiness and Market Fragmentation**

Not all counterparties may be willing or able to take on delegated reporting responsibilities, especially across different jurisdictions. This could lead to fragmentation and inconsistent adoption of the model.

**Mitigation**: ESMA should consult with market participants to assess readiness and provide transitional support. A phased rollout with optional delegation may help ease adoption.

**Legal and Contractual Complexity**

Delegation introduces legal and contractual obligations that may be difficult to negotiate, particularly where liability and data ownership are concerned.

**Mitigation**: ESMA should provide model clauses and guidance on delegation agreements, including liability, data access, and dispute resolution.

**Regulatory Misalignment**

If delegation is not recognised or harmonised across EU member states or third-country regimes, firms may face conflicting obligations or duplicative reporting requirements.

**Mitigation**: ESMA should work with national regulators and international bodies to promote mutual recognition and alignment of delegation frameworks.

<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>

While in theory option 2b has the largest burden reduction, it comes with a materially higher complexity and risk. The IA does not support 2b at this stage.

<ESMA\_QUESTION\_CASR\_12>

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

<ESMA\_QUESTION\_CASR\_13>

Option 2b has a very long time horizon, is extremely complex with many touch points, and would require cross regime law changes.

<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>

Please see Q12 & Q13.

<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>

Option 1a, with single‑sided reporting, a data dictionary, and a well structured model. This path gives the fastest and most certain burden reduction.

<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>

The IA supports a phased pathway to Option 1a first (scope delineation + one‑sided reporting + data dictionary). Once benefits are realised, ESMA could assess further centralisation elements

<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>

Yes. Under option 1a, after single‑sided is established, move towards single submission to ESMA with authority access, eliminating multi‑submission. This keeps the operating model simple for firms while preserving information scope

<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>

Pros: venue data are timely, structured, and could reduce duplication for firms trading on‑venue.

Cons: Cross regime alignment needed. Venue cost increases ultimately paid for by users.

<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 support this. Direct reporting to ESMA with controlled, pertinent access for EU and national authorities should lower cost, improve consistency, and enhance analytics

<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>

Any such change should be for the Benefit of a Healthy, Robust, Streamlined Capital Market. The solution should bring simplification and reduce complexity. There will be a single known workflow across NCAs, lower duplication, better cross market analysis and reduce costs. Audit assurances and best practice should be implemented across the industry which will reduce the burden of reporting and allow firms to rework their systems from the ground up.

Cons include implementation costs and establishing a new technical framework.

<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 IA has no view

<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>

Costs arise from counterparty reconciliation, failure‑chasing, exception management, and duplicated fixes. The IA supports a move to one‑sided reporting with audit‑based controls (as used in other jurisdictions) and supervisory follow‑ups when needed. This reduces cost while maintaining quality; yes, reporting should be strictly one‑sided.

<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>

Adjusting frequency to field complexity and proven supervisory use. For complex, low‑volatility fields, lower frequency reduces noise and error rates under a single‑sided model while preserving analytical value. Simplicity advocacy is key in this regard.

<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>

Simplified templates for low‑risk firms or remove the reporting requirement entirely for smaller firms. These are most effective when combined with single‑sided to ensure predictability and lower barriers for smaller firms. <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>

The IA has no view

<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>

The IA has no view

<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 IA has no view

<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 IA has no view

<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 IA has no view

<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>

The IA has no view

<ESMA\_QUESTION\_CASR\_30>