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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 | European Fund and Asset Management Association (EFAMA) |
| Activity | Investment Services |
| Are you representing an association? |  |
| Country/Region | Belgium |

**Questions**

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

<ESMA\_QUESTION\_CASR\_1>

We agree with ESMA’s description of the main challenges and welcome the effort to streamline transaction reporting across EMIR, MiFIR and SFTR. At the outset, EFAMA considers the transition to a single-sided reporting model—anchored in the entity with the operational and data capacity (typically the dealer, trading venue or CCP), with liability resting solely on that reporting party and the buy-side not held accountable for third-party submissions—to be the single most effective lever to reduce burden and maintain the EU’s global competitiveness in this area. The current dual-sided regime imposes avoidable costs without commensurate data-quality gains.

From the buy-side perspective, the single largest cost driver is the dual-sided reporting and reconciliation process under EMIR. In practice, it has proven to be the most resource-intensive and least efficient feature of the regime. Dual-sided reporting requires the generation, exchange and reconciliation of UTIs, followed by line-by-line matching at the trade repository. Persistent mismatches then trigger follow-up queries, manual investigation, and additional messages — all of which significantly inflate costs without delivering corresponding improvements in supervisory data quality.

We therefore **strongly support the deletion of dual-sided reporting under EMIR and SFTR and a shift to single-sided reporting**, which would align the EU with other leading jurisdictions, reduce duplication, and concentrate accountability on the entity best placed to report (i.e. the dealer, trading venue or CCP). For buy-side entities, such as UCITS management companies and AIFMs, which typically rely on delegated reporting arrangements, this reform would remove an unnecessary operational burden and avoid the need to maintain complex infrastructures solely for reconciliation purposes. It would also help safeguard the **global competitiveness of EU firms** by ensuring that they are not placed at a structural disadvantage compared to peers in markets such as the US and Switzerland, where single-sided models are already in place. At a minimum, we are asking for the simplification of the pairing and matching process as is the case in other jurisdictions (i.e JFSA, HKMA)

Alongside this, two further elements stand out as key cost drivers:

* **Regulatory changes and limited flexibility:** Frequent amendments to reporting regimes create significant implementation costs and operational uncertainty. The cumulative effect undermines the competitiveness of EU financial markets by increasing compliance burdens relative to other jurisdictions.
* **Inconsistent terminology and definitions:** Divergent concepts and requirements across the different frameworks complicate implementation, interpretation, and reconciliation. Establishing a harmonised data dictionary would be an effective solution to ensure consistency and reduce costs for market participants. The financial sector itself could drive this work.

In short, EFAMA urges ESMA to prioritise a single-sided reporting model as the backbone of the streamlining exercise, coupled with harmonised definitions and a simplified reporting channel, to achieve meaningful and lasting reductions in cost and complexity while safeguarding supervisory objectives.

<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>

EFAMA agrees with the principles proposed by ESMA. In this context, we would like to stress the importance of ensuring that these principles are implemented in a way that delivers **tangible simplification and cost reduction for reporting entities.** We believe several core principles should be emphasised or further developed as part of the framework.

*Ensuring international alignment and competitiveness*

Firstly, we are missing an **overarching principle that should be to enhance the competitiveness of EU-based market participants**. From this perspective, it is crucial not to introduce requirements that would place EU firms at a disadvantage compared to other jurisdictions, such as the US or the UK. Ensuring alignment, in particular between ESMA’s and the FCA’s transaction reporting requirements, would help avoid fragmentation and strengthen the global competitiveness of the EU financial industry.

*Simplification of data content and reduction of duplication*

From the buy-side’s perspective, EMIR reporting is by far the most resource-intensive regime, as derivatives are used by almost all asset managers across strategies, asset classes and risk management purposes. Asset managers are also subject to additional EU and national reporting regimes, such as AIFMD Annex IV, MMF reporting, and forthcoming UCITS templates, which can overlap with or diverge from transaction reporting requirements. The combined effect is a complex and fragmented reporting landscape that amplifies costs without necessarily improving supervisory outcomes.

In particular, following the introduction of EMIR Refit, the number of data fields has increased significantly, raising questions about the proportionality and practical relevance of certain data elements. For example, we note the duplication of information already embedded in reference identifiers, such as ISIN, which reporting entities are still required to report separately**. Greater reliance on such reference identifiers and ensuring that vendors adapt their data production processes accordingly would allow supervisors to access up-to-date information.** This would reduce the need for frequent client outreach aimed at verifying the accuracy of reported data or updating systems on an annual basis. Having continuously available reference data would lower the administrative burden on firms while still providing supervisors with the necessary information.

In this context, we wish to emphasise the importance of policymakers selecting an appropriate identifier for OTC derivatives that best supports the objectives of ESMA and the European Commission, namely, reducing the reporting burden on firms. EFAMA **strongly supports the use of the ISIN as the identifier for OTC derivatives (OTC ISIN) across transaction reporting under both MiFIR and EMIR.** OTC ISIN is a vital component in maintaining and improving data quality—especially in the context of the move to single-sided reporting under EMIR. Data quality is enhanced when key attributes are embedded within the OTC ISIN, as these attributes are harmonised, enabling consistent interpretation and validation. Furthermore, the use of the OTC ISIN represents a lower-cost option for industry given that existing infrastructure and workflows across all asset classes, including OTC derivatives, are already based on the ISIN.

To address these inefficiencies, we would recommend greater reliance on ISINs as a single, harmonised identifier for all instrument types, including derivatives, to avoid duplication and ensure interoperability across frameworks. In parallel, low-value or duplicative fields should be reconsidered, either removed or restricted to specific cases where they are demonstrably useful. We intend to further develop our reasoning in support of the OTC ISIN as the identifier of choice in our response to Q5, positioning it as one of the relevant components that should be incorporated to enable Option 1a (which we will outline further below as our preferred policy option) to meet the objectives of this consultation most effectively.

*Focusing on essential fields and outcome-based supervision*

We would also encourage ESMA and other regulators to provide clearer justifications for each data field, particularly where fields are not demonstrably critical for supervisory purposes. The goal or objective of supervisory reporting is often unclear, and it is not transparent to the public what supervisory authorities intend to do with the large volumes of data collected. A clearer articulation of objectives would help justify the data requested and facilitate a more outcome-oriented approach. Greater transparency would help focus efforts on truly essential data elements and ease the compliance burden on reporting entities.

Moreover, we caution that any reform aimed at reformatting data fields must result in genuine simplification. A superficial revision—such as rewording or relocating fields without significantly reducing their number or streamlining reporting processes—could still necessitate substantial system upgrades.

We also see merit in shifting toward outcome-based oversight. Supervisory monitoring should rely less on prescriptive daily internal controls and instead focus on output metrics such as unmatched trades after T+5, rejection rates at TRs/ARMs, resubmission volumes, and counterparty matching efficiency. This would enable smarter, risk-based supervision with lower manual effort, particularly for firms with strong compliance track records.

*Streamlining oversight processes*

Similarly, regulatory oversight should avoid unnecessary duplication of checks. Firms should not be required to re-validate fields already verified by ARMs or TRs. Instead, supervisors could rely on provider-level validations combined with KPI-based oversight (i.e. rejection rates, timeliness, completeness of submissions). Clearer guidance would also be valuable, for example, clarifying hierarchies between related fields, publishing structured conditional logic, and offering practical, scenario-based field population examples. This would enhance consistency across firms and vendors while reducing interpretation risk.

*Improving communication and market feedback loops*

We would also emphasise the importance of improving regulatory communication. ESMA and NCAs could publish anonymised information on error trends, frequent reporting mistakes, and practical tips, which would help firms identify and address recurring issues. In addition, organising collaborative forums with firms, regulators, and trade repositories would provide a structured channel to share challenges and promote more consistent interpretations across the market.

*Ensuring international alignment and competitiveness*

Finally, we notice a missing overarching principle that should be to enhance the competitiveness of EU-based market participants. From this perspective, it is crucial not to introduce requirements that would place EU firms at a disadvantage compared to other jurisdictions, such as the US or the UK. Ensuring alignment, in particular between ESMA’s and the FCA’s transaction reporting requirements, would help avoid fragmentation and strengthen the global competitiveness of the EU financial industry.

<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>

The key advantage of option 1a lies in its potential to eliminate duplicative reporting obligations across different regulatory regimes. This streamlining would significantly reduce operational complexity and improve efficiency.

More importantly, option 1a contains the necessary elements to enable a move towards single-sided reporting with full exclusion of the buy side. This reflects a long-standing EFAMA position, as outlined in our Position Paper on the EMIR Refit, CCP Supervision and CCPs Recovery and Resolution Regulation of 19 December 2017[[1]](#footnote-2), where we highlighted the need to reduce the operational burden on buy-side firms by adopting a proportionate, single-sided reporting model. We consider this to be the most crucial outcome of the entire consultation process, regardless of which policy option is ultimately chosen. Implementing a well-designed single-sided reporting framework would substantially alleviate the compliance burden on market participants.

Single-sided reporting should be structured around entities with the operational capacity to report accurately (i.e. dealers, trading venues, or CCPs), and responsibility must rest solely with the reporting party. Without this, there is a risk that liability for errors could indirectly shift back to the buy side, undermining the purpose of single-sided reporting. Concentrating accountability on the designated reporting entity (dealer, venue, CCP) is essential for both clarity and effective data stewardship.

However, we stress that streamlining transaction reporting—without also implementing a single-sided reporting model—will only deliver partial benefits. In our view, the success of this consultation should be measured primarily by its ability to pave the way for such a model.

That said, even beyond the benefits linked to single-sided reporting with buy-side exclusion, option 1a offers a pragmatic and cost-efficient path to address the main aim of the consultation—namely, the removal of duplicative reporting obligations—through a regulatory process that is less complex than the alternatives. It would also require less onerous system uplift by market participants, as reporting would continue to take place within the current frameworks (i.e. EMIR, MiFIR, SFTR).

We therefore view option 1a as the most proportionate and implementable means of achieving meaningful simplification in transaction reporting, while maintaining continuity with the existing regulatory landscape.

In addition, and as already mentioned by ESMA, Option 1a would be easier to implement than Option 2 as it only requires the removal of duplication of existing reporting requirements. It would be a quick win which would benefit the whole spectrum of EU market participants.

Finally, as already said above, in addition to the deletion of dual-sided and multiple reportings, **having a single-sided reporting at EU level to ESMA would be a key improvement.**

<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>

A key risk from a buy-side perspective under option 1a relates to the potential implications of making MiFIR the exclusive framework for reporting exchange-traded derivatives (ETDs). In particular, **it is crucial to ensure that UCITS management companies and AIFMs continue to be excluded from MiFIR transaction reporting obligations**. These entities do not today fall in scope of transaction reporting under article 26 MifFIR. While we acknowledge the conceptual benefit of allocating OTC derivatives reporting to EMIR and ETD reporting to MiFIR (as envisaged in option 1a), this must be accompanied by a clear preservation existing reporting obligations.

Article 26 of MiFIR already requires investment firms and trading venues to report transactions carried out on behalf of clients or on trading venues. As such, the totality of financial transactions are already reported to NCAs. Requiring UCITS and AIFs to report transactions amounts to duplicative reporting, and also imposes disproportionate costs on the fund industry given the major investments required to support MiFIR reporting.

We expect the status quo to persist and warn that any broadening of reporting, under Art. 26 would be in direct contradiction to the EC’s commitment to simplification and reduced reporting burdens.

Failing to do so would have significant consequences. Buy-side firms would be required to adapt to a transaction reporting regime (i.e. MiFIR) to which they are currently not subject. This would entail disproportionate compliance costs and system overhauls, effectively undermining the cost-efficiency benefits that option 1a is intended to deliver. If that were to occur, the proposal would be counterproductive in terms of simplification and cost reduction.

Also, Option 1a does not include or does not detail enough other dimensions that would reduce costs associated to the current transaction reporting burden such as the matching and pairing process that we are asking to reduce or to simplify. Finally Option 1a does not include propositions on the simplification of the SFTR reporting whereas the latter is similar to EMIR reporting.

In any case, we think that choosing option 1a in the short/medium term through the simplification of multiple reporting transactions is not incompatible with the development of 2a in the longer run.

<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>

We consider that the clear delineation of how the move to single-sided reporting will be implemented is the main missing component for Option 1a (as well as for the other policy options proposed by ESMA through this call for evidence). Streamlining reporting without this change would only deliver partial benefits, and the success of this initiative should be measured by whether it enables this shift to occur. This approach would eliminate the need for buy-side entities to maintain complex and costly reporting infrastructures, as they already rely on delegated reporting from the sell-side. It would also eliminate the current need for ongoing reconciliation between counterparties, which adds cost without materially improving data quality.

In addition, option 1a must explicitly preserve the exemption of UCITS management companies and AIFMs from MiFIR transaction reporting (see our response to Q4). Without this, the proposal would impose new reporting obligations on entities currently out of scope, undermining the objective of reducing the reporting burden. Furthermore, we consider that the explicit incorporation of the OTC ISIN as the identifier of choice for OTC derivatives under both EMIR and MiFIR reporting is a crucial component currently missing from Option 1a, which would ensure it can most effectively achieve the objectives of this consultation. Policymakers should select an appropriate identifier for OTC derivatives that supports ESMA’s and the European Commission’s goal of reducing the reporting burden on firms, and we strongly support the use of the ISIN (OTC ISIN) for this purpose.

EFAMA considers OTC ISIN as a vital component for maintaining and improving data quality—especially in the context of the move to single-sided reporting under EMIR—while ensuring that data quality remains at the requisite standard. Data quality is higher when the data attributes are embedded within the OTC ISIN because they have been harmonised, enabling consistent interpretation and validation. Importantly, using the OTC ISIN is also the lower-cost option for the industry, given that existing infrastructure and workflows are already based on the ISIN across all asset classes, including for OTC derivatives.

Maintaining and improving data quality under single-sided reporting. Using the OTC ISIN will assist in maintaining data quality in a move to single-sided reporting, as set out below:

* The OTC ISIN was designed specifically for transaction reporting and therefore embeds more information within the identifier than the UPI. This means that more data points can be reported through a single data point (the OTC ISIN), whereas the UPI would require separate reporting of additional data fields (the ‘UPI+’ approach).
* This supports the argument that data quality concerns of the authorities will be most effectively addressed with OTC ISIN.

Use of OTC ISIN supports ESMA’s four principles:

* **Ensure global alignment:** The OTC ISIN is a globally recognised identifier governed by ISO standards. It is designed to be complementary to the UPI, which can be accessed within the OTC ISIN.
* **Decrease overlaps to reduce reporting burden:** ESMA designed the existing EMIR Refit and MiFIR reporting regimes so that firms would not have to use two different identifiers (OTC ISIN and UPI) to report the same trade. While the MiFIR regime is still being finalised, we wish to reiterate this principle. ESMA could build on it by not requiring firms to report data attributes separately where they are already included in the OTC ISIN.
* **Preserve information scope:** The granularity of the OTC ISIN ensures that the information scope is preserved by reporting the identifier alone, without needing to report separate data fields. This is particularly relevant for OTC derivatives baskets, which can have thousands of underlying constituents and would otherwise require thousands of extra data fields to be reported. OTC ISIN also allows for easier comparability with ETD instruments, which are also reported using ISINs, and can be valuable when comparing similar OTC and ETD products (i.e. an equity option on the same underlier traded ETD versus OTC).
* **Balance cost and benefit:** Existing IT systems and workflows for transaction reporting are already set up for OTC ISIN, making this the most cost-effective approach. By contrast, moving to a UPI+ approach would require significant IT build and workflow changes to support the many extra fields that would need to be reported outside the identifier, increasing costs for firms.

The 24 January 2025 changes proposed by the European Commission Delegated Act on OTC derivative identifying reference data—which ESMA supported in its MiFIR Review Consultation Package 4—would further reduce the burden on firms if implemented for ISINs. In particular, removing the expiry date from ISINs for interest rate derivatives would address the current issue of redundant daily ISIN creation for this asset class.

Moreover, below you can find field-level recommendations for both EMIR and MIFIR reporting.

Field-Level Recommendations – EMIR

* **Collateral Portfolio Code (CPC):** This field is rarely populated correctly, as firms often rely on placeholder or dummy codes due to lack of standardisation. Making the field optional or removing it altogether would avoid low-quality data.
* **Valuation fields:** Current practices diverge significantly across firms. A harmonised valuation methodology should be introduced to improve comparability and reduce reconciliation issues.
* **Execution Timestamp vs Clearing Timestamp:** The operational difference between these two timestamps is often marginal, yet reporting both with high precision is difficult and resource-intensive. Prioritising more material fields would reduce unnecessary complexity.
* **Beneficiary ID:** In bilateral transactions, this field often duplicates the reporting counterparty and adds limited value. Its use should be restricted to cases where it provides meaningful supervisory insight.
* **Basket Code:** The absence of a public standard or syntax leads to inconsistent reporting. Replacing this with a structured ‘underlying portfolio’ field, capturing information such as component count, sector/country mix, and exposure distribution, would provide supervisors with more meaningful data.

Field-Level Recommendations – MiFIR

* **Trading Capacity.** This field adds limited supervisory value and should be pre-filled or automated based on the trading setup. Manual entry increases the risk of inconsistency without clear benefit.
* **Country of Branch for Client.** Often irrelevant unless there is a specific jurisdictional implication. This field should be made optional in standard reporting flows, to reduce unnecessary complexity and operational burden

<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>

EFAMA considers option 1b overly complex. The benefits it seeks to achieve—namely, eliminating duplicative reporting—can be delivered more effectively and with less operational disruption under option 1a.

<ESMA\_QUESTION\_CASR\_6>

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

<ESMA\_QUESTION\_CASR\_7>

See our response to Q6.

<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>

See our response to Q6.

<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>

Moving towards a single reporting template as proposed under option 2a is, in principle, the right long-term direction. It would simplify reporting channels across EMIR, MiFIR and SFTR, reduce costs over time, and enable more centralised and effective market oversight.

That said, option 2a is not immediately realistic. It should be viewed as a final step in a phased approach, ideally starting with option 1a. A successful transition to option 2a would require first addressing several foundational issues:

* elimination of duplicative reporting;
* removal of data fields lacking supervisory value;
* implementation of single-sided reporting;
* harmonised identifiers, definitions, and data standards; and
* consistent supervisory interpretation across NCAs.

Without these prerequisites, option 2a (and 2b) would be too disruptive to implement in the short/medium term.

<ESMA\_QUESTION\_CASR\_9>

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

<ESMA\_QUESTION\_CASR\_10>

While we acknowledged that option 2a—establishing a single reporting template across MiFIR, EMIR, and SFTR—could be appealing in principle, it would be complex to design and implement. For firms not currently subject to MiFIR reporting, the added value of a single template is limited, making the proposal less attractive from a buy-side perspective.

In operational terms, the complexity of implementation is significant, with ESMA itself estimating a 5 to 7 year timeline. This raises concerns over the uncertainty of the final outcome and the extended period of transition that would be required.

Moreover, option 2a would demand substantial work and investment from both ESMA and industry stakeholders. While it may reduce costs in the longer term, the upfront costs and resource requirements would be considerable.

Given these factors, we do not consider option 2a to be realistic in the short/medium term. It should instead be viewed as a long-term objective, achievable only through a phased approach, starting with more incremental steps, such as those outlined in option 1a.

<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>

A key missing element in option 2a is the confirmation that buy-side entities, such as UCITS management companies and AIFMs, would be excluded from reporting obligations under the proposed single-sided reporting model. While ESMA’s table on page 18 refers to reporting being ‘one-sided and performed by financial entities and CCPs’, it is not clear whether this would exclude the buy side. In fact, many UCITS management companies and AIFMs do not currently report under MiFIR, and bringing them into scope under a new regime would introduce practically no added value while imposing disproportionate compliance costs and system overhauls.

Cross-border consistency will be essential for option 2a to function in practice. Many OTC transactions involve non-EU dealers, so identifiers, validation rules, and messaging standards must be interoperable across jurisdictions. Without such alignment, EU buy-side firms could be forced into fallback reporting roles when trading with third-country counterparties, which would undermine the proportionality and efficiency benefits that single-sided reporting is intended to deliver.

We therefore strongly stress the importance of ensuring that single-sided reporting under option 2a is designed in a way that clearly excludes buy-side firms from direct reporting obligations. Without such a safeguard, the benefits of the proposal would be substantially reduced for our industry, particularly given the IT and compliance costs involved in adapting to a new and more centralised framework.

<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>

We strongly recommend against option 2b, as it introduces significant additional complexity without delivering clear added value beyond what could be achieved under option 2a.

<ESMA\_QUESTION\_CASR\_12>

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

<ESMA\_QUESTION\_CASR\_13>

See our response to Q12.

<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>

See our response to Q12.

<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 believe Option 1, specifically sub-option 1a, should be prioritised, as it achieves the main policy objective—eliminating duplication—in the most pragmatic and cost-efficient manner. Compared to Option 2, it requires fewer regulatory changes and a shorter implementation timeline.

That said, we recognise the long-term value of moving towards Option 2, particularly sub-option 2a. However, achieving the key features of Option 1a is a necessary stepping stone towards any future transition. In fact, 1a would already deliver many of the benefits sought under the more ambitious framework envisioned in 2a.

<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>

As stated in previous responses, the most valuable outcome of this consultation would be a move towards single-sided reporting with the full exclusion of the buy side from reporting obligations. Without single-sided reporting, even EFAMA’s preferred option—option 1a—could prove counterproductive and deliver only limited benefits for buy-side firms. This is particularly the case if the current exemption for UCITS management companies and AIFMs from reporting under MiFIR is not preserved (as outlined in our response to Q4), in which case EFAMA would prefer to maintain the existing framework rather than implement any of the options proposed by ESMA.

That said, we consider a phased approach to be a sensible way forward in principle. Under such an approach, option 1a would be prioritised in the short/medium term, while option 2a would be pursued as a longer-term goal. This sequencing would enable the swift resolution of current inefficiencies—such as duplicative reporting—while laying the groundwork for the future implementation of the more ambitious ‘report once’ model envisioned under option 2a.

To support this transition, we recommend establishing a cross-sector working group that involves the ESAs, the ECB/NCBs, NCAs, trade repositories, infrastructures, and representatives from both the buy- and sell-side. The successful T+1 settlement task force offers a helpful precedent, showing the benefits of convening all key stakeholders to sequence technical standards, legal adjustments, and market practices. A similar governance framework for reporting would help align regulatory timelines, promote a harmonised data dictionary, and ensure that liability and funding issues are addressed consistently.

<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>

We consider the transfer of on-venue transaction reporting to trading venues, SIs, DPEs, or counterparties to be an essential element of a functional single-sided reporting model. Notably, and in line with the MiFIR post-trade transparency regime, buy-side firms should not be responsible for reporting on-venue transactions. For this measure to deliver its intended benefits, it is crucial that reporting obligations are assigned to entities with direct access to execution details and infrastructure—namely, trading venues, systematic internalisers, delegated reporting entities, or the counterparty to the buy-side firm.

We strongly support the notion that, under a single-sided reporting framework, ETDs and centrally cleared derivatives should be reported by trading venues and exchanges, as these entities have immediate access to all required information, with a limited risk of reporting errors. The same logic applies to centrally cleared derivatives, where CCPs hold the relevant trade information for the CCP–clearing member leg of the cleared transaction. If this approach is not retained, buy-side firms would still need to maintain existing reporting tools and control frameworks, thereby undermining the core efficiency and simplification objectives of the broader reform.

<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 believe that enhancing ESMA’s role as a central data hub could offer long-term benefits in terms of simplification, efficiency, and cost reduction. In particular, simplifying the current reporting channels under EMIR, MiFIR, and SFTR by enabling direct reporting to ESMA would reduce the operational burden on market participants and facilitate the centralisation and harmonisation of market data at the EU level.

Importantly, such a framework should eliminate the need for multiple submissions. A single reporting flow to ESMA, with subsequent access granted to NCAs, would significantly streamline processes for firms while ensuring that supervisors receive consistent data. From a cost perspective, establishing ESMA as the central reporting point could, over time, help reduce fees for market participants, especially compared to the current costs associated with reporting via multiple trade repositories. As a non-profit public authority, ESMA may be better positioned to deliver this function efficiently and transparently, and we would expect this to result in a significant reduction of costs for EU-based market participants.

However, we note that the implementation costs and practicalities of shifting to direct reporting to ESMA remain uncertain at this stage. Further clarity is needed on how such a transition would be structured, what infrastructure changes would be required, and how data access and oversight by national authorities would be coordinated.

<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>

Supervisory Technology (SupTech) Tools

* Real-Time Monitoring Dashboards: Regulators should develop dashboards to track error rates and data completeness across TRs and firms.
* Automated Breach Detection: Codify control rules to automatically flag anomalies or breaches in reporting logic.

<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>

The cost associated with dual-sided reporting arises primarily from the human and operational resources required to manage reconciliation processes. Firms must allocate dedicated teams to identify and resolve mismatches, investigate reporting errors, and ensure consistency across both sides of a transaction. Members reported spending hundreds of thousands to several million euros annually on activities linked to pairing/matching, remediation, and exception handling alone, often supported by external service providers. Based on member input, the current annual costs directly attributable to dual-sided reporting can exceed €4.5 million in some firms, with reconciliation and exception handling alone accounting for up to €3.25 million in these cases. This makes dual-sided reporting inherently more resource-intensive than a single-sided model.

**Members highlighted the following major cost categories:**

* **Internal FTE:** Annual staff costs dedicated to EMIR reporting and controls typically range from €260,000 to €750,000 per firm, covering 2–4 full-time staff focused solely on reporting operations, remediation, and control frameworks.
* **Trade repository (TR) and vendor fees:** Recurring annual fees often reach €140,000–€500,000, including TR submission charges, resubmissions, licensing fees (i.e. USD25,000 for Bloomberg RHUB and USD 50,000 for TR analytics tools), and costs paid to external middle- and back-office providers (up to €100,000 annually).
* **Exception handling, reconciliation and pairing/matching:** This is by far the largest single cost driver, with some firms reporting over €3 million annually in combined internal and external costs for resolving breaks, reconciling data, and correcting errors.
* **Supervisory outreach (NCA queries, audits):** Several firms reported annual costs of €100,000–€500,000 linked to responding to recurring supervisory queries and audits.
* **Delegated reporting oversight:** Even when reporting is delegated to sell-side firms, buy-side firms must maintain oversight structures to monitor the accuracy of delegated submissions, creating ongoing fixed costs despite not directly submitting reports.

Based on member feedback, around 40–70% of monthly effort is devoted to reconciliation tasks (pairing/matching investigations and TR reconciliation), with a further 10–20% spent on delegated reporting oversight and about 10–15% on UTI exchange/allocation.Other activities are only occasionally mentioned and appear marginal (<10%).

At the same time, dual-sided reporting limits buy-side firms’ ability to control the quality of the data submitted to authorities, as they remain accountable for breaks in data they have not themselves reported.

That being said, the cost impact of removing dual-sided reporting will largely depend on how it is implemented. First and foremost, there must be clarity on who the responsible reporting entity would be. We note that the reference to ‘financial entities’ on page 18 of the call for evidence is ambiguous. In our view, buy-side entities such as AIFMs and UCITS management companies should be categorically excluded from trade reporting obligations. For example, if reporting obligations were simply removed for NFCs, the change would implicate negligible cost reductions. Conversely, assigning reporting responsibilities to buy-side financial counterparties—many of which are not currently subject to MiFIR reporting—could introduce higher costs and operational challenges (see our response to Q4).

There are also several practical scenarios that would require clarification in order to achieve a single-sided reporting model with full exclusion of the buy side—an outcome we consider essential to maximising cost savings. For instance:

* If an EU NFC trades with a UK FC, would the EU NFC be responsible for reporting?
* If an EU sell-side FC trades with an EU buy-side FC, which party would report?
* If a US sell-side FC trades with an EU buy-side FC, who would hold the reporting obligation?

In all of the scenarios mentioned above, we believe it is essential to ensure that buy-side entities (i.e. UCITS management companies and AIFMs) are consistently excluded from reporting obligations. Otherwise, these firms would need to maintain the systems and processes required for transaction reporting. For example, in the case of a US sell-side FC trading with an EU buy-side FC, the EU buy-side firm could still be required to report a limited number of transactions—necessitating the retention of full reporting infrastructure. This would ultimately undermine the value that a full exclusion of the buy side could bring to the industry.

On data quality, which has been a central argument in favour of dual-sided reporting in the past, we would stress that the benefits are overstated in practice. Buy-side firms, particularly those with insufficient derivative trade volumes to justify dedicated in-house reporting solutions, typically rely on delegated reporting services from the sell-side firms through which they execute trades. In such cases, when the sell-side reports both its own leg and that of its buy-side client, the data derives from the same source—namely the sell-side’s trade booking systems. As a result, the two reports are essentially identical (with some fields mirrored), which diminishes any incremental data quality benefits that ESMA might expect from dual reporting.

In fact, members noted that dual-sided reporting often produces more data breaks rather than fewer, precisely because it requires reconciling two separate submissions for the same trade. Removing this duplication would therefore likely improve data quality by eliminating the main source of errors.

A well-designed single-sided reporting framework—with full exclusion of the buy side—has the potential to generate significant cost savings, particularly through the elimination of reconciliation processes, reduced operational oversight burdens, and fewer submitted reports.This, in turn, would reduce the volume of data quality issues requiring attention. In addition, costs linked to third-party service providers (such as reporting tools and trade repositories) would decrease, as these are often calculated based on the number of submitted reports and the volume of breaks to be remediated.

We would also highlight the implications for counterparty diversification. Removing a buy-side reporting requirement could broaden the pool of viable trading counterparties. For end-clients that currently rely on delegated reporting arrangements, if certain brokers were unable or unwilling to report on behalf of clients, these trading counterparties may effectively be excluded, thereby reducing competition and client choice. Ensuring a model where the reporting obligation does not fall on the buy side would help maintain a competitive and diversified counterparty landscape.

From the buy-side’s perspective, the most effective model would be one in which reporting obligations fall on trading venues, SIs, or delegated reporting entities, similar to the approach used under the MiFIR post-trade transparency regime. In contrast, if reporting responsibility were based on transaction direction (i.e. always the seller), buy-side firms would likely need to maintain existing systems and control frameworks, cancelling out the overall benefit of the reform.

**Importantly, members stressed that these cost savings will only materialise if the non-reporting counterparty is not subject to any residual oversight or reconciliation obligations. If they were still required to verify or monitor reported data, much of the current complexity and cost would persist.** The effectiveness in reducing costs will also depend on whether oversight obligations remain with the buy side. If there is no regulatory oversight obligation for the non-reporting counterparty, no additional operational requirements would arise. However, if oversight responsibilities are retained, it would be essential to clearly define the roles of the Management Company (ERR) and the Execution Agent (EA) to ensure proper oversight capabilities. For example, ETD reporting illustrates the complexity of different buy-side setups, whether the management company also acts as the investment manager or where investment management and EMIR reporting obligations are outsourced. It is worth noting that in other jurisdictions with single-sided reporting (i.e. Swiss FMIA), the non-reporting counterparty is not subject to oversight obligations. This precedent highlights the importance of clarifying oversight expectations to avoid inadvertently undermining the simplification benefits of a single-sided model.

Regarding data quality, we understand that ESMA is considering audits or supervisory mechanisms to replace reconciliation in a single-sided framework. While this may be a reasonable alternative, further clarity is needed on what such audits would entail and how they would affect internal control requirements. Audits should be proportionate, risk-based, and exception-driven—otherwise they risk becoming ‘dual reporting by another name’. Fragmented national practices would create inconsistent expectations, duplicated requests, and renewed inefficiencies. A single EU-wide methodology would provide predictability for firms and ensure that the benefits of a one-sided model are preserved.

**Finally, we stress the importance of regulatory consistency between ESMA and the UK, while underlining that this should not delay or dilute the EU’s own move towards single-sided reporting.** Many buy-side firms operate across both jurisdictions, and divergence would risk undermining part of the efficiency gains by forcing firms active in both markets to maintain parallel systems and processes. Nonetheless, the EU should proceed with ambitious reform to single-sided reporting, and in parallel promote dialogue with the UK and other key jurisdictions to support future convergence.

We recommend that the EU adopt an ambitious approach to single-sided reporting, in parallel with efforts to promote international cooperation and alignment with the UK and other key jurisdictions. This dual strategy would maximise the potential for simplification while supporting the global competitiveness of EU-based firms. In summary, while single-sided reporting has the potential to reduce operational burdens and costs significantly, its success will depend on clear rules on the responsible reporting entity, appropriate exclusion of buy-side firms, and regulatory alignment across jurisdictions.Cross-border interoperability is equally important in relation to third-country dealers. If identifiers, message standards, and validation rules are not aligned internationally, EU asset managers could still be forced into a fallback reporting role in trades with non-EU dealers, driving costs back up. A lack of global alignment would therefore reduce some of the potential benefits, but it should not stand in the way of EU reforms. Instead, EU leadership on single-sided reporting can serve as a benchmark to encourage international coordination over time.

<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>

We believe that reporting frequency should be calibrated in proportion to the complexity of the data being reported. More complex data sets require additional time for validation, reconciliation, and quality assurance before they can be submitted for review. If such data were to be reported too frequently, firms would face heightened operational pressure with insufficient time to ensure accuracy. This could inadvertently increase the risk of errors at the EU level and undermine the quality of supervisory data, thereby creating systemic risks rather than mitigating them.

From this perspective, reducing the reporting burden should involve a differentiated approach: For highly complex data elements, a lower reporting frequency would allow participants to ensure reliability and completeness. For simpler, standardised data elements, more frequent reporting could be feasible without creating significant risk or cost.

**In practice, this principle can be applied through tailored frequency recommendations under EMIR and MiFIR:**

**EMIR:**

* Trade reconciliation checks could shift to monthly spot-checks on matched UTIs or trade reports, with daily checks reserved for cases of spikes in rejections, mismatches, or disputes.
* Valuation accuracy checks could be performed monthly on a sample of bilateral trades, focusing on material changes rather than minor variances.
* Collateral reporting controls could be carried out monthly or quarterly on a sample basis, prioritising trades with significant exposure or margin movements.
* Oversight of UTI generation and matching could be performed in the context of broader trade analysis rather than as a daily routine.

**MiFIR:**

* UTI integrity could be reviewed on a weekly basis, unless trading OTC derivatives directly.
* Logs of rejected submissions via ARM/TR could be reviewed monthly, complemented by quarterly thematic analyses to detect recurring issues.
* Price and quantity validation could follow an exception-based approach, targeting high-value or outlier trades rather than systematic checks of all reports.
* Venue code mapping (MIC codes) could be validated semi-annually, or only when trading relationships or execution venues change.
* Field-level completeness could be reviewed through monthly spot checks on representative samples of reports.

Overall, aligning reporting frequency with both the complexity of the data and the supervisory value of each field would help balance regulatory needs with operational capacity, improving both efficiency and data quality.

<ESMA\_QUESTION\_CASR\_23>

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

<ESMA\_QUESTION\_CASR\_24>

Proportionality is essential to ensure that the reporting framework does not impose disproportionate costs on smaller or lower-risk entities. Equally, proportionality must take account of the structural position of management companies, which sit at the end of the trading chain. While they initiate orders, most reportable fields (e.g. UTIs, life-cycle events, collateral movements) are generated further downstream by dealers, venues, CCPs or custodians. Expecting managers to capture and resubmit these fields would raise costs rather than lower them.

In practice, this could be implemented through:

* **Single-sided reporting as the most effective proportionality tool: Reporting liability should be placed with the entity that has the operational and data capacity (dealer, venue, CCP). Buy-side firms should not be asked to duplicate submissions, as this would undermine the stated objective of burden reduction.**
* Risk-based oversight: Firms with strong compliance track records, low error rates, and no history of enforcement action should benefit from simplified monitoring, for example reduced frequency of reconciliations or lighter audit requirements.
* Standardisation incentives: Firms making use of structured standards (i.e. ISO 20022) could benefit from streamlined validation processes, as this improves consistency and reduces reconciliation effort.
* Outcome-based supervision: Supervisory intensity could be adjusted according to output indicators such as trade matching efficiency, resubmission volumes, or TR rejection rates. This would allow resources to be focused on higher-risk cases while easing the compliance burden on firms that demonstrate consistent reporting quality.

Quantifying impact would depend on firm type, but lighter requirements for smaller entities and streamlined oversight for consistently compliant firms —combined with a clear exclusion of the buy-side from duplicative obligations—would lead to significant reductions in system maintenance costs, reconciliation workloads, and supervisory outreach. This would make the overall regime more efficient without undermining data quality.

<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>

Feedback from our members indicates that the one-off costs of implementing EMIR requirements have been substantial and multifaceted. Based on the provided figures, these costs ranged from approximately €200,000 to €1.1 million, with some evidence suggesting that total spending in larger firms may have reached **closer to €1.5 million.** While the exact cost varies significantly depending on firm size, operating model, and reliance on external providers, some recurring themes emerge:

* Several firms report that the implementation of EMIR Refit requirements required multi-year projects, in some cases lasting up to two years. Dedicated staffing typically included multiple full-time project resources as well as additional business-as-usual staff. In certain cases, this was complemented by external consultancy support for project management and data quality remediation, representing a major budget commitment.
* One-off costs were not limited to internal staffing: firms also incurred expenses related to backloading requirements, enhancements to reporting solutions provided by third parties, and the establishment of new oversight capabilities (including the use of analytics tools offered by trade repositories). Significant IT development for interface builds and system integration was also reported as a major cost item.
* Members also underlined that costs were not confined to the EMIR Refit. Earlier reporting updates (such as those introduced under Commission Delegated Regulations (EU) 2017/104 and 2017/105) had already generated considerable one-off expenditure, adding to the cumulative implementation burden over the past decade.
* Setting up delegated reporting arrangements with brokers has also entailed non-negligible costs. Members point to operational set-up work averaging around 10 hours per account, and approximately 20 hours of legal negotiations per broker for contractual arrangements.

Taken together, these examples illustrate that the one-off costs of EMIR compliance extend well beyond IT development and system upgrades, encompassing legal, operational, and oversight functions. For many firms, these costs have accumulated across successive waves of regulatory change, underlining the importance of stability and proportionality in the design of future reporting reforms.

<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>

Feedback from our members shows that the ongoing costs of complying with EMIR reporting remain significant, and are driven by a mix of internal staffing, third-party service providers, and trade repository (TR) fees. **Based on the evidence collected, annual ongoing costs directly attributable to EMIR reporting typically range between approximately €300,000 and €600,000 per firm, with some large firms reporting annual totals of over €1 million.** Although the precise amounts vary by firm size, structure and outsourcing model, anecdotal evidence points to the following cost categories:

* Internal staffing: many firms dedicate 2–3 full-time employees to EMIR reporting tasks, with reported FTE costs ranging from about €250,000 to €750,000 per year.
* Exception handling and reconciliations: for some firms, this represents the single most significant cost driver, reaching into the low-to-mid seven figures annually (some firms report this cost can go upwards of €3.25 million with heavy reliance on external service providers).
* Licensing and infrastructure: members highlight recurring annual fees for systems such as Bloomberg RHUB (~USD 25,000) and analytics tools provided by trade repositories (~USD 50,000).
* Trade repository fees: annual TR costs are often reported between €100,000 and €500,000, with higher figures where resubmission rates are elevated.
* Outsourcing arrangements: where investment management is outsourced, firms often incur additional costs for external middle- and back-office providers to collect and process reporting data. One member estimated these costs at approximately €100,000 per year.
* Supervisory outreach: some firms highlighted recurring staff time and legal costs to handle NCA queries and audits, which can add several hundred thousand euros annually.
* Operational reconciliation: one member quantified the weekly reconciliation workload at around €3 per trade, covering the headcount needed to monitor and correct mismatches.

This feedback shows that EMIR reporting costs are dominated by reconciliation and oversight activities rather than the act of submitting reports, and that these processes require maintaining substantial fixed infrastructure regardless of trading volume.

While costs are difficult to express on a per-transaction basis given differing reporting volumes, firms with medium-to-high volumes indicated that the effective cost per reported transaction is likely in the low single-digit euro range. However, for firms with lower volumes, the fixed cost base can result in materially higher effective costs per trade.

Overall, this cost structure makes EMIR reporting disproportionately expensive for smaller asset managers, especially when transaction volumes are modest but the fixed infrastructure and oversight functions must still be maintained.

<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>

Not all of our members are subject to MiFIR Article 26 transaction reporting, as UCITS management companies and AIFMs are exempt. However, those members that do fall within scope noted that similar cost lines applied as under EMIR — such as project management, internal staff time, external consultants, system development and testing — though overall one-off costs incurred to implement MiFIR RTS 22 reporting have been slightly lower than for EMIR, particularly where firms could build on their existing MiFID II infrastructure.

<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>

We would first underline that not all our members are subject to MiFIR transaction reporting obligations. UCITS management companies and AIFMs are exempt under Article 26 MiFIR, and for these firms the costs associated with MiFIR reporting are therefore not applicable. Only those members with MiFID-licensed entities in their group, or with trading activities structured through affiliated investment firms, are directly in scope.

That said, among those members that do fall under MiFIR, **reported annual budgets ranged from around €100,000 to €300,000**. Anecdotal feedback indicates that ongoing reporting costs are both significant and highly concentrated among a small number of reporting service providers:

* Transaction reporting (via ARM): Members highlighted that all reports must flow through Authorised Reporting Mechanisms. Annual costs for this service in the EU were estimated at around €200,000, covering processing capacity for up to 50 million messages.
* Post-trade transparency (via APA): For entities exceeding 100 trades per day in the EU, fixed annual APA costs were reported at around €35,000. UK costs are lower, at approximately £8,000 per year, again reflecting lower trading activity.
* Regulatory fees: Since 2022, ESMA has introduced additional fixed fees associated with both transaction reporting and post-trade transparency, typically amounting to up to €8,000 per year.

This feedback suggests that the cost profile under MiFIR is shaped less by per-transaction variables and more by fixed annual charges levied by a limited number of ARMs and APAs. For asset managers with relatively modest trading activity, this creates a disproportionate burden, as firms must still bear high fixed fees despite comparatively low volumes. For firms with relatively modest trading activity, this cost structure creates a disproportionate burden, as firms must still bear high fixed fees despite comparatively low volumes.

<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>

From a buy-side perspective, the biggest long-term cost saving would stem from reducing oversight and reconciliation efforts across both EMIR and MiFIR. Today, these processes consume significant resources, as firms must continuously monitor data submissions, manage exceptions, and resolve mismatches—both internally and with counterparties.

Reducing or eliminating the need for dual-sided reconciliations would therefore bring lasting efficiency gains. Oversight and reconciliation represent one of the most complex and time-consuming aspects of the reporting process, second only to data management and processing. By alleviating this burden, a streamlined model (e.g. single-sided reporting with clear liability) would free up resources, reduce reliance on external tools and service providers, and allow compliance teams to focus on higher-value tasks such as exception-based monitoring.

In addition, members highlighted several other cost factors that affect the overall cost of reporting and should be considered when estimating long-term savings: the heavy reliance on external service providers and consultancy support for data quality and remediation; the cost of ongoing oversight of delegated reporting arrangements; recurring queries from NCAs requiring investigation and response; the burden of maintaining multiple system interfaces and workflows for different reporting regimes; and the cost of internal staff time spent on reconciliation, testing and control frameworks. They also noted that design choices in any future framework will strongly influence cost outcomes: for example, if single-sided reporting still requires extensive checks on the non-reporting party, the intended cost savings would be largely eroded.

<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>

From EFAMA’s perspective, the anticipated costs and savings differ significantly depending on the option chosen and, critically, on how the buy side is treated under each framework. A central consideration for our members is that any cost-benefit assessment of these options must account for whether the reforms are combined with the move to a single-sided reporting model. This reform, which is included to some extent across all options, is seen as the key driver of potential cost savings.

**Single-sided reporting (included across all options):**

Our members widely see this as the reform with the highest potential to reduce costs, provided that reconciliation is removed and non-reporting parties are not required to maintain oversight structures. Several members indicated that eliminating reconciliation alone could result in a substantial reduction of their current operational costs. However, they cautioned that if new control obligations were imposed on non-reporting parties as a replacement for reconciliation, this could largely offset any savings and potentially increase costs. Importantly, if the reporting obligation rests with dealers, trading venues, or CCPs, initial implementation costs for buy-side firms are expected to be relatively modest, as they would not need to build new infrastructure themselves. Importantly, if the reporting obligation rests with dealers, trading venues, or CCPs, initial implementation costs for buy-side firms are expected to be modest or even negligible, as they would not need to build new infrastructure themselves. Some firms expect minimal to no cost.

**Option 1a (preferred and most proportionate approach):**

* Option 1a should be prioritised as it offers the most immediate and cost-efficient way to remove duplication without requiring a wholesale overhaul of reporting systems.
* If correctly implemented—i.e. maintaining the exclusion of UCITS management companies and AIFMs from MiFIR reporting obligations—this option could deliver substantial cost savings. These would stem from reduced duplication, streamlined data flows, and more consistent supervisory expectations.
* The transitional investments would be comparatively moderate, as firms could continue to rely on existing infrastructures, with adjustments focused on data harmonisation and clarification of responsibilities.

**Risk of poor implementation of option 1a (worst-case scenario):**

* If option 1a were to extend MiFIR reporting obligations to entities not currently in scope (e.g. UCITS management companies and AIFMs), it would create significant new costs instead of savings.
* In this case, buy-side firms would need to implement an entirely new MiFIR reporting regime—building new databases, static data repositories, reporting formats, governance structures, and reconciliation processes.
* Such a project would likely require at least two years, with substantial involvement of project and BAU staff as well as external consultants.
* Ongoing costs would also rise materially, including FTEs, IT systems, licensing fees, and payments to ARMs/TRs.

**Option 2a (longer-term objective):**

* In the longer run, option 2a could generate even greater efficiencies if combined with a well-designed single-sided reporting model and clear exclusion of the buy side.
* Under such conditions, buy-side firms could decommission current reporting infrastructures, terminate contracts with TRs/ARMs or delegated reporting partners, and simplify oversight processes.
* One-off decommissioning costs (e.g. for interface changes, contract terminations) would arise, but the ongoing savings from no longer maintaining full reporting infrastructures would outweigh them.
* The only residual responsibility for buy-side firms would be to provide static data updates to counterparties responsible for reporting.

**Options 1b and 2b:**

* Members consider both options to be unnecessarily complex and unlikely to deliver benefits beyond those achievable under 1a (short term) and 2a (long term).

<ESMA\_QUESTION\_CASR\_30>

1. [EFAMA (2017), Position Paper on the EMIR REFIT, CCP Supervision and CCPs Recovery and Resolution Regulation, 19 December 2017.](C://Users/FrancoLuciano/Desktop/EFAMA_position_paper_EMIR_Refit_Euro_Location_0.pdf) [↑](#footnote-ref-2)