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| Reply form  for the Call for Evidence on a Comprehensive Approach for the Simplification of Financial Transaction Reporting |
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**Responding to this paper**

ESMA invites comments on all matters in this call for evidence and in particular on the specific questions. Comments are most helpful if they:

* respond to the question stated;
* indicate the specific question to which the comment relates;
* contain a clear rationale; and
* describe any alternatives ESMA should consider.

ESMA will consider all comments received by **19th** **September 2025.**

**Instructions**

In order to facilitate analysis of responses to the Call for Evidence, respondents are requested to follow the below steps when preparing and submitting their response:

1. Insert your responses to the questions in the Call for Evidence in the present response form.
2. Use this form and send your responses in Word format (**pdf documents will not be considered except for annexes**);
3. Please do not remove tags of the type <ESMA\_QUESTION \_CASR\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
4. If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
5. When you have drafted your response, name your response form according to the following convention: ESMA\_CASR\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_CASR\_ABCD\_RESPONSEFORM.
6. Upload the form containing your responses, **in Word format**, to ESMA’s website (www.esma.europa.eu under the heading “Your input – Open Consultations” -> Call for evidence on a comprehensive approach for the simplification of financial transaction reporting”).

**Publication of responses**

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

**Data protection**

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading [Legal Notice](http://www.esma.europa.eu/legal-notice).

**Who should read this paper**

# This paper is primarily addressed to all financial market participants and in particular reporting entities and market infrastructures, as well as to trade associations and other stakeholders involved in financial regulation, investor education, and retail investment market developments. It seeks input on major cost drivers linked to derivative regulatory reporting and the identification of possibilities on integration, streamlining and simplification.

# The paper is also relevant to competent authorities, with competences in the context of MiFIR, EMIR, SFTR regulation.

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**General information about respondent**

|  |  |
| --- | --- |
| Name of the company / organisation | RWE Supply & Trading GmbH |
| Activity | Non-financial counterparty |
| Are you representing an association? |  |
| Country/Region | Germany |

**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>

In general, we do agree with the description of the key challenges outlined above.

**From our perspective as NFC, the main cost drivers as of today are the following:**

1. Dual-sided reporting obligation under EMIR and SFTR

* Currently scope for mandatory delegated reporting under SFTR is very narrow (only applicable to SME: "Article 10(1)" narrowly referring only to "non-financial counterparty which on its balance sheet dates does not exceed the limits of at least two of the three criteria laid down in Article 3(3) of Directive 2013/34/EU").
* Reconciliation of unpaired and unmatched reports in the trade repository (rather than only submitting the corrected data)
* Discussing and aligning upon detailed data submitted with the counterparty (rather than only aligning upon primary economic terms itself with the counterparty)

2. Frequent regulatory changes

* Increased cost due to lack of flexibility to enable a phased implementation, missing synchronization and coordination of the changes in the different (global) reporting regimes
* Increased cost due to continuously evolving needs of (global) authorities not limited to critical OTC derivatives data elements provided by CPMI and IOSCO working group
* Increased costs due to changes in format for reporting (CSV, ISO 20022 XML, JSON)

3. Duplication of IT systems and processes:

* Different reporting channels and formats make it necessary to establish various different IT systems and processes.
* Redundancy in static data reporting, e.g. counterparty and product data could be mapped by using the LEI and UPI code instead of providing it via each transaction report (e.g. "Sector of the reporting counterparty" and "Nature of the reporting counterparty")

4. Intragroup derivative reporting: For each Regulator you must show that for both entities a centralized risk management is established, both are NFC- and both must be fully consolidated. This does not include any subsidiary of those entities, Therefore, you must set up a new intragroup exemptions (IGE) for each subsidiary of an entity. Costs include the initial IGE request (involvement of Risk&Legal necessary), regular monitoring of IGE requirements as well as the actual reporting requirements of IGEs

**The following issues are linked to multiple regulatory regimes with duplicative or inconsistent requirements and are not reflected in this section:**

aa) EMIR introduces an exemption for intragroup derivatives reporting under Article 9, while this has not been introduced under Article 4 of SFTR.

ab) EMIR (Article 9) as well as SFTR (Article 4) introduce mandatory delegated reporting, but refer to different preconditions under EMIR ("non-financial counterparty that does not meet the conditions referred to in the second subparagraph of Article 10(1)") and SFTR ("non-financial counterparty which on its balance sheet dates does not exceed the limits of at least two of the three criteria laid down in Article 3(3) of Directive 2013/34/EU").

ac) The processes regarding the EMIR Intragroup derivatives reporting exemption under Article 9 (notification of national competent authorities and notification being valid) is a key challenge for groups active in multiple EU countries and additional burden not existing under CFTC No-Action Letter 13-09 (ensure global supervisory convergence in terms of Intragroup derivatives reporting exemption with ESMA’s peers, e.g. the SEC and CFTC).

ad) Reference data reporting duplications should also refer to static data duplications (EMIR: Reporting of "Corporate sector of counterparty 2" per derivative contract and SFTR: Reporting of "Jurisdiction of the issuer" and "LEI of the issuer" per repurchase transaction), adding "Corporate sector" to a single platform (global online source) like Global LEI Index (GLEIF) for standardized and high quality legal entity reference data is a key issue (but should not be a requirement for market participants across major transaction reporting, this is a challenge regarding data aggregation for all G20 authorities and should be addressed appropriately).

ae) The determination of Entity Responsible for Reporting (example: mandatory delegated reporting under EMIR Article 9 refers to OTC derivative contracts while some derivative contracts traded on a third country venue are classified as OTC derivative contract while some other derivative contracts traded on a third country venue are not classified as OTC derivative contract) is a key challenge for entities trading on different markets.

af) Current frameworks are preserving some non-financial counterparties to conclude certain type of transactions (example: SFTR reporting obligation requires significant one-off costs due to the need for different IT systems able to produce, process, validate and submit the data under SFTR) which makes respective markets less save and less efficient by reducing market liquidity.

<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>

In general, we do agree with the proposed principles as reasonable basis for a simplification of regulatory reporting. Of the mentioned principles, balancing cost and benefit is, in our view, the most critical. Effectively addressing the cost drivers identified in our Q1 response perfectly support this principle.

However, we do not fully agree with the "Preserve Information Scope" principle and the related description. In our view, this is not a Key principles for all options. We propose to restrict the information needed by authorities related to financial counterparties, all information related to non-financial counterparties is not a priority for performing supervisory tasks (like monitoring systemic risks to financial stability or detecting and identifying market abuse cases).

Furthermore, we would like to add the principle “Keep market conditions fair”. It must be ensured that there are no barriers to market entry for non-financial companies to ensure liquidity and competition. In addition, the specificalities of industrial companies and physical energy markets should be considered, including no reclassification of energy contracts (retain REMIT C.6 carve-out). Furthermore, the principle of proportionality must apply, i.e. reporting parties should only be obliged to report only current relevant reporting fields under any new regime/format

<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>

We agree with ESMA’s that option 1a cuts reporting burden fast by revising the dual sided reporting and removing ETD (Transactions) from EMIR. Introducing mandatory single-sided reporting by FCs, meaning FCs to be responsible and liable for reporting without any regular verification obligation for NFCs, would reduce costs significantly.

<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>

Depending on the exact delineation and determination of reporting scope (example: non-financial counterparties trading on a third country venue while involving third country central counterparties and/or third country direct clearing members), non-financial counterparties currently not in scope of MiFIR may need to establish a MiFIR solution not yet required (example: the obligation to report transactions under Article 26 MiFIR applies to financial counterparties and not to non-financial counterparties). Thus, extending the MiFIR scope to non-financial counterparties is deemed to be a "showstopper" (i.e., we suggest the revocation of reporting any derivatives under MiFIR as with the addition of certain data elements this could be subsumed into single-sided EMIR Article 9 reporting).

In addition, this solution does not bring as many long-term benefits and cost savings as a more streamlining/harmonization option. It focuses rather on the potential quick-wins.

<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>

In our view, the following components are missing in option 1a:

* Confirmation of the continued existence of current MiFIR reporting scope (i.e. the reporting scope for non-financial counterparties would not be extended to MiFIR reporting).
* The exact delineation and determination of reporting scope (example: non-financial counterparties trading on a third country venue while involving third country central counterparties and/or third country direct clearing members) is missing. Thus, extending the MiFIR scope to non-financial counterparties is deemed to be a "showstopper" (i.e., we suggest the revocation of reporting any derivatives under MiFIR as with the addition of certain data elements this could be subsumed into single-sided EMIR Article 9 reporting).
* The determination of Entity Responsible for Reporting (example: mandatory delegated reporting under EMIR Article 9 refers to OTC derivative contracts while some derivative contracts traded on a third country venue are classified as OTC derivative contract while some other derivative contracts traded on a third country venue are not classified as OTC derivative contract) is missing.
* The reporting technical standards are missing (ISO 20022 XML schema, csv/ comma separated values, JSON/ JavaScript Object Notation), thus necessary adjustments to IT systems to produce, process, validate and submit the data are not clear.
* The recipient of the data reported needs to be confirmed (trade repository, national competent authority, approved reporting mechanism), thus necessary adjustments to IT systems to produce, process, validate and submit the data are not clear.
* Clarification on dual-sided reporting and audit requirements: While Option 1a proposes removing dual-sided reporting, it also mentions the possible mandatory external audit. We do not support such proposal since it would limit the benefit of the Option itself and add unnecessary costs and complexity. For energy trading firms it is essential to ensure that, when reporting details of OTC derivative contracts concluded with a non-financial counterparty below the clearing threshold (NFC-), the obligation for single-sided reporting by financial counterparties is maintained.

<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 agree with key advantages of option 1b included in the ESMA document from a non-financial counterparty point of view not having implemented a full EMIR/MiFIR/SFTR (different IT systems not all able to produce, process, validate and submit the data under EMIR/MiFIR/SFTR) solution.

We therefore reject option 1b because this option 1b is not designed to reduce the burden associated with complying with financial regulatory reporting requirements for a non-financial counterparty.

<ESMA\_QUESTION\_CASR\_6>

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

<ESMA\_QUESTION\_CASR\_7>

For us as a non-financial counterparty, this option 1b leads to no burden reduction at all: As NFCs do not have a full EMIR/MiFIR/SFTR implemented (different IT systems not all able to produce, process, validate and submit the data under EMIR/MiFIR/SFTR), this option 1b will not reduce the burden associated with complying with financial regulatory reporting requirements for a non-financial counterparty.

<ESMA\_QUESTION\_CASR\_7>

1. What components are missing or not adequately addressed in option 1b? Why are these elements important, and how might their inclusion change the evaluation or implementation of option 1b?

<ESMA\_QUESTION\_CASR\_8>

In our opinion, the following components are missing in option 1b (similar to option 1a):

* The exact delineation and determination of reporting scope (example: non-financial counterparties trading on a third country venue while involving third country central counterparties and/or third country direct clearing members) is missing. Thus, extending the MiFIR scope to non-financial counterparties is deemed to be a "showstopper" (i.e., we suggest the revocation of reporting any derivatives under MiFIR as with the addition of certain data elements this could be subsumed into single-sided EMIR Article 9 reporting).
* The determination of Entity Responsible for Reporting (example: mandatory delegated reporting under EMIR Article 9 refers to OTC derivative contracts while some derivative contracts traded on a third country venue are classified as OTC derivative contract while some other derivative contracts traded on a third country venue are not classified as OTC derivative contract) is missing.
* The reporting technical standards are missing (ISO 20022 XML schema, csv/ comma separated values, JSON/ JavaScript Object Notation), thus necessary adjustments to IT systems to produce, process, validate and submit the data are not clear.
* The recipient of the data reported needs to be confirmed (trade repository, national competent authority, approved reporting mechanism), thus necessary adjustments to IT systems to produce, process, validate and submit the data are not clear.

<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>

We believe option 2a brings more long-term benefits than option 1a including the following key advantages:

1. Strong burden reduction through:

* standardisation of currently different reporting channels across MiFIR, EMIR and SFTR
* removal of duplicative reporting of the same derivative instruments under MiFIR and EMIR
* standardisation of terminology and definitions within different reporting regimes across MiFIR, EMIR and SFTR

2. Simpler rules and better data sharing will consequently lead to improved risk monitoring

3. Lower market entry barriers through harmonization (impact of currently non-financial entities authorisation from e.g. BaFin on scope of reporting obligations)

<ESMA\_QUESTION\_CASR\_9>

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

<ESMA\_QUESTION\_CASR\_10>

key limitations and potential risks of option 2a:

* significant change to current approach requiring a phased implementation approach demanding significant time and resources. This also includes potentially high one-off technical and organizational implementation effort, esp. in case a single reporting channel and a common format is used
* Mitigation of key limitations and potential risks of option 2a: phased implementation starting with option 1a and then option 2a (and potentially option 2b afterwards)
* coordination of the changes in the different reporting regimes across MiFIR, EMIR and SFTR requires quantity and quality of staffing being available.
* Possible data gaps when non-financials deal with non-financials as there is no FC or CCP involved: Extending the MiFIR scope to non-financial counterparties is deemed to be a "showstopper" (i.e., we suggest the revocation of reporting any derivatives under MiFIR as with the addition of certain data elements this could be subsumed into single-sided EMIR Article 9 reporting).

<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>

In our opinion, the following components are missing in option 2a:

* It is missing, if the harmonization will follow a step-wise approach, i.e. starting with the “quick wins” presented in option 1a and only thereafter implement bigger changes
* The determination of Entity Responsible for Reporting (example: mandatory delegated reporting under EMIR Article 9 refers to OTC derivative contracts while some derivative contracts traded on a third country venue are classified as OTC derivative contract while some other derivative contracts traded on a third country venue are not classified as OTC derivative contract) is missing.
* preconditions for mandatory delegated reporting under SFTR ("Article 10(1)" narrowly referring only to "non-financial counterparty which on its balance sheet dates does not exceed the limits of at least two of the three criteria laid down in Article 3(3) of Directive 2013/34/EU").
* the reporting technical standards are missing (ISO 20022 XML schema, csv/ comma separated values, JSON/ JavaScript Object Notation), thus necessary adjustments to IT systems to produce, process, validate and submit the data are not clear.
* The recipient of the data reported needs to be confirmed (trade repository, national competent authority, approved reporting mechanism), thus necessary adjustments to IT systems to produce, process, validate and submit the data are not clear.

<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>

The key advantage of option 2b is that this option would lead to a maximal burden reduction in the long-run as full “report once” principle is applied not only to the financial regulation regimes are streamlined but also REMIT transaction reporting. There would be one “single template” for transaction reporting leading to standardization of currently different reporting channels, definition and terminology across MiFIR, EMIR, SFTR and REMIT. In addition, it would also include the “quick wins” such as the removal of duplicative reporting of the same derivative instruments under MiFIR, EMIR and REMIT. All in all, this seems to be the best option regarding burden reduction and simplification in the long run. In our view, REMIT and all information required by national competent authorities in the energy sector (example: Energy Regulatory Authority Poland) should be included in this option.

<ESMA\_QUESTION\_CASR\_12>

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

<ESMA\_QUESTION\_CASR\_13>

In addition to the risks similar to option 2a, this option 2b entails further risks:

* significant change to current approach requiring a phased implementation approach demanding significant time and resources
* coordination of the changes in the different reporting regimes across MiFIR, EMIR, SFTR and REMIT requires quantity and quality of staffing being available
* In no case a harmonization should go beyond transaction reporting matters, i.e. there should not be a reclassification of instruments (e.g., maintain REMIT C.6 carve-out)
* Market entry barrier creation: Increased reporting requirements for industrial companies that would be comparable to those for financial companies would indirectly lead to a barrier to market entry for small and medium-sized non-financial companies.
* Diminish efficiency and reduce liquidity in markets: Certain activities by non-financial companies can facilitate hedging, enhance efficiency and support liquidity in financial markets. Having said this, market entry barrier creation may amplify stress and deteriorate liquidity in underlying markets.
* Reporting entities that previously had to report less data (e.g. under REMIT) will most likely have to report significantly more fields as a result of harmonisation.
* Harmonisation would lead to permanently higher IT costs, where the number of data fields for the respective regulation increases (e.g. in REMIT, which has the fewest data fields in comparison). Investments would have to be made in the missing infrastructure and additional expertise, especially in non-financial companies

<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>

components are missing or not adequately addressed in option 2b:

* The determination of Entity Responsible for Reporting (example: mandatory delegated reporting under EMIR Article 9 refers to OTC derivative contracts while some derivative contracts traded on a third country venue are classified as OTC derivative contract while some other derivative contracts traded on a third country venue are not classified as OTC derivative contract) is missing.
* preconditions for mandatory delegated reporting under SFTR ("Article 10(1)" narrowly referring only to "non-financial counterparty which on its balance sheet dates does not exceed the limits of at least two of the three criteria laid down in Article 3(3) of Directive 2013/34/EU").
* The reporting technical standards are missing (ISO 20022 XML schema, csv/ comma separated values, JSON/ JavaScript Object Notation), thus necessary adjustments to IT systems to produce, process, validate and submit the data are not clear.
* The recipient of the data reported needs to be confirmed (trade repository, national competent authority, approved reporting mechanism and regulatory reporting mechanism), thus necessary adjustments to IT systems to produce, process, validate and submit the data are not clear.
* Option 2b enables the respective regulator to use the data for all of their respective purposes. Nevertheless, the purposes of existing regimes across MiFIR, EMIR, SFTR and REMIT is different. For example, REGULATION (EU) No 1227/2011 (REMIT) is designed for monitoring of wholesale energy markets by the Agency for the Cooperation of Energy Regulators (ACER) while REGULATION (EU) No 648/2012 (EMIR) enables ESMA to monitor the activity in derivatives not eligible for clearing in order to identify cases where a particular class of derivatives may pose systemic risk. Thus, applying regulatory requirements designed for financial instruments (beyond harmonization of transaction reporting requirements in terms of data channels and data flows) as currently defined in Section C of Annex I to Directive 2004/39/EC (MiFID) on wholesale energy markets is deemed to be a "showstopper" (i.e., we suggest harmonizing the transaction reporting requirements in terms of data channels and data flows via a phased approach leveraging most recent investments of EMIR REFIT leading to full harmonization in the long run in line with EMIR REFIT, but not to extend the regulatory scope itself of the existing regulations).

<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 think a phased implementation starting with option 1a and then option 2a (and option 2b afterwards) should be prioritized in order to achieve simplification and 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>

We would like to propose the following solution which is a combination of option 1 and 2 but focus is on following a phased approach leading to full harmonization of financial reporting requirements including REMIT in the long-term. Our proposal seeks to strike a balance between delivering short-term efficiency gains for market participants and building toward a sustainable long-term framework that reduces costs, enhances data quality, and supports regulatory objectives.

ESMA’s overarching objective to achieve a 25% reduction in the reporting burden for all market participants, while maintaining and strengthening the quality of reported data, can best be achieved through a phased approach, which delivers immediate relief from duplicative or unnecessary requirements and, over time, builds toward a fully integrated and harmonized reporting framework.

As a foundation, we urge to introduce mandatory single-sided reporting by Financial Counterparties (FCs). Under this model, Non-Financial Counterparties (NFCs) would not be subject to any regular verification obligation. In cases where transactions occur between NFCs, the reporting party should be agreed bilaterally.

This step is essential to avoid duplication, streamline responsibilities, and reduce unnecessary compliance costs for NFCs, while ensuring that high-quality data continues to flow to regulators.

**We propose a three-step phased approach to reach the ultimate goal of harmonization:**

**Step 1: Delivering quick wins in short-term**

* Introduce single-sided reporting and remove Exchange-Traded Derivatives (ETD) reporting
* For FCs and regulated markets: align MiFIR reporting with the EMIR format and introduce additional required fields

**Step 2: Revising SFTR and EMIR in mid-term**

* Align SFTR reporting with the EMIR format and introduce additional required fields
* For NFCs: expand EMIR reporting to include MiFIR and SFTR

**Step 3: Integrating Frameworks and including REMIT transaction reporting**

* Establish a single reporting schema covering MiFIR, EMIR, and SFTR, enabling all three to be reported through one reporting stream
* Transform REMIT transaction reporting requirements into the EMIR format to ensure full compatibility and facilitate inclusion into the same reporting schema

**Long-Term Goal: Full Harmonization**

Deliver a single reporting framework under which one report will cover all financial regulatory reporting obligations as well as the REMIT transaction reporting obligations. This will establish one comprehensive reporting stream for all market participants.

**Benefits of our proposal**

**A) Short-term benefits**

1. Cost efficiencies through subsuming MiFIR into EMIR:

* The review of RTS 22 (transaction data reporting under MiFIR Art. 26) is already underway and currently paused, making this the right moment for alignment.
* EMIR is now the most mature framework, recently updated via EMIR REFIT.
* 167,000 reporting counterparties under EMIR (versus 6,700 MiFIR executing firms) can leverage recent IT investments in EMIR REFIT.
* The inclusion of critical data elements from CPMI-IOSCO into EMIR has already promoted global harmonization and eased compliance across jurisdictions.

2. Preserved data quality through a stepwise integration process.

3. Avoidance of NFC fatigue:

* No additional short-term implementation burden, given EMIR REFIT is already complete and REMIT II is being implemented.
* Medium implementation burden postponed to the mid-term phase.

**B) Long-term benefits**

1. Full harmonization through one template and one reporting streams

* Significant cost savings across all participants.
* Reduction of data fields via product identifiers (e.g., UPI).

2. Aligned revision cycles between different reporting regimes.

3. Lower market entry barriers, as new product launches or licensing events (e.g., authorisations from BaFin) would no longer trigger disproportionate reporting obligations.

**Potential Shortfalls**

We acknowledge that certain challenges accompany this phased approach. However, these are outweighed by the benefits delivered.

A) Potential Short-Term Shortfalls

* Higher than previously anticipated effort for MiFIR reporting parties, given the extension of MiFIR Art. 26 (RTS 22) data elements
* One-off implementation costs due to significant extensions of RTS 22 data elements
* Adjustments required for Approved Reporting Mechanisms (ARMs), even though in the long term ARMs and trade repositories should converge into a single reporting mechanism. Some ARMs may therefore face short-term costs without a long-term role

B) Potential Long-Term Shortfalls

* Regulatory coordination will be required across many authorities and regimes, potentially limiting the ability to introduce smaller short-term adjustments
* Alignment of ARMs and trade repositories into a single concept of reporting mechanisms will require careful design
* More complex validation rules may be necessary to distinguish between regimes (e.g., MiFIR vs. EMIR), potentially increasing operational complexity

<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>

The reporting channels and flows should ensure consistent reporting to a trade repository (removal of national competent authority, approved reporting mechanism and regulatory reporting mechanism channels) under all options in order to achieve simplification and burden reduction (without limiting the trade repositories operating trade repository services to only one company, i.e. allowing multiple companies to apply for a trade repository license). <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>

a) advantages of transferring the reporting of on-venue transactions under MiFIR and EMIR to trading venues:

* achieve simplification and burden reduction for all market participants

b) disadvantages of transferring the reporting of on-venue transactions under MiFIR and EMIR to trading venues

* post-trade events: transferring the reporting of on-venue transactions under MiFIR and EMIR to trading venues requires trading venues having necessary data for all scenarios of post-trade events (high-level impact analysis not sufficient to verify this option)
* third country trading venues: transferring the reporting of on-venue transactions under MiFIR and EMIR to third country trading venues requires third country trading venues being subject to EU legislation and supervision (mitigation for EU non-financial counterparties via waterfall approach referring to central counterparties and/or direct clearing members)

<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>

The reporting channels and flows should ensure consistent reporting to a trade repository (without enhancing ESMA role as data hub by developing a framework where entities would report consistent and harmonized data directly to ESMA) under all options in order to achieve simplification and burden reduction while focusing ESMA`s duties on performing supervision and facilitating market discipline.

<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>

advantages:

* one reporting channel and flow ensures consistent reporting
* achieve simplification and burden reduction by simplification of IT systems and processes for market participants in the long-run

disadvantages as well as the implementation challenges and opportunities:

* existing reporting channels and flows of market participants refer to different reporting channels, i.e. either trade repository under EMIR, ARM under MiFIR or RRM under REMIT
* ESMA`s duties should focus on performing supervision and facilitating market discipline rather than Operational reporting channels and flow as well as technical implementation

<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>

We consider other technologies (e.g. DLT and Smart Contracts) to be relevant for simplifying the reporting process in the long-term, but want to highlight to achieve simplification and burden reduction in the short and mid-term. Furthermore, other technologies (e.g. DLT and Smart Contracts) should be aligned with clearing services, collateral management services as well as confirmation matching services and therefore with the technology usually used by financial counterparties.

<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 generation of cost associated with dual sided reporting:**

* reconciliation of unpaired reports in the trade repository (rather than submitting the data itself)
* reconciliation of unmatched reports in the trade repository (rather than submitting the data itself)
* discussing and aligning upon data submitted with the counterparty (rather than aligning upon data itself with the counterparty)

**cost impact of removing dual-sided reporting:**

* massive simplification and burden reduction in case the reporting party (Financial counterparty) will be responsible and liable for reporting without any regular verification obligation for NFCs
* minor cost impact of other measures such as audits due to already existing "32 Abs. 1 WpHG" (Wertpapierhandelsgesetz/ German Securities Trading Act) requirements

**consideration of dual sided reporting may reduce the ability of reporting entities to fully control the data submitted to authorities:**

* No, we do not see this as an issue to avoid single sided reporting. In scenarios where a non-financial counterparty concludes a reportable transaction with another non-financial counterparty, these non-financial counterparties must still maintain, as part of such records, generated Unique Trade Identifier for each transaction subject to different regimes (MiFIR, EMIR, SFTR and REMIT). Non-financial counterparties must make all such records available to the authorities for inspection and produce promptly upon request, in a reportable form pursuant to different regimes (MiFIR, EMIR, SFTR and REMIT) or any other form or manner as may be requested by authorities staff (likewise to CFTC No-Action Letter 13-09 referring to transactions between Affiliated Counterparties).
* A Non-reporting counterparty that by any means becomes aware of any error in the derivative data for a derivative to which it is the non-reporting counterparty, can be required likewise to §45.14 (a)(2) under CFTC obligations to notify the reporting counterparty for the derivative of the error as soon as technologically practicable after discovery (but not later than three business days following discovery of the error) to ensure that the data submitted by the reporting counterparty is accurate. Please note that the Non-reporting counterparty can use trade repository reports (including end-of-day Allege Trade State, Intraday Allege Report) to discover any error in the derivative data for a derivative.

**Do you consider that the reporting should be strictly from one side?**

* Yes, strictly from one side. Mandatory single-sided reporting by Financial Counterparties (FCs), meaning that FCs are responsible and liable for reporting without any regular verification obligation for NFCs
* Reporting party for single-sided reporting between NFCs to be agreed

<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 consider the modification of a (daily) reporting frequency not to be material in order to reduce the reporting burden once a scalable reporting channel and flows have been established.

<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 should be a key part of any effort to reduce the regulatory reporting burden. To ensure proportionality there should be a comprehensive review of all the data elements to be submitted in order to meet the requirements of each regime, without placing undue burden on reporting entities by including data points that go beyond the regimes scope. This exercise alone could make notable positive differences towards streamlining transaction reporting without compromising the data regulators require to have sufficient market oversight.

Additionally, duplication of data should be avoided. For example, attributes inherent within identifiers should be fully utilised, thereby reducing the total number of data points to be submitted per transaction.

<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>

We are not allowed to disclose the requested confidential cost information. Nevertheless, the one-off cost of implementing EMIR requirements for our non-financial counterparties exceeds millions of euros. Various cost drivers need to be considered such as regulatory operations, IT operations, risk control function support, back office units (trade confirmation, portfolio reconciliation), provisioning of legal opinions, database costs, trade repository fees, fees paid to the allocation agency for Legal Entity Identifier and other fees (like Derivatives Service Bureau/ Anna DSB fees for creating and searching for ISINs and external consulting firm fees). In addition, fees for audit requirements (existing "32 Abs. 1 WpHG", Wertpapierhandelsgesetz/ German Securities Trading Act) requirements arise as well as for the familiarization with the processes regarding the EMIR Intragroup derivatives reporting exemption under Article 9 (notification of national competent authorities and notification being valid).

<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 estimated on-going cost to comply with the reporting requirements under EMIR for non-financial counterparties does not only contain the (known) fees associated with reporting through trade repositories, but also multiple full-time equivalent employees in each company as well as sophisticated IT tools.

Additionally, also fees for audit requirements (existing "32 Abs. 1 WpHG", Wertpapierhandelsgesetz/ German Securities Trading Act) requirements must be considered as well as the familiarization with the processes regarding the EMIR Intragroup derivatives reporting exemption under Article 9 (notification of national competent authorities and notification being valid).

<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>

Please note that we are currently not a report submitting entity under MiFIR.

However, we estimate that the one-off cost of implementing MiFIR requirements would exceed at least several millions of euros as everything has to be implemented from scratch.

<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 are currently not a report submitting entity under MiFIR.

<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>

We - as NFC - are only a reporting entity under EMIR, and hence are not report submitting entity under MiFIR.

Therefore, the below cost-factors focus on EMIR related cost-savings over a long-term horizon:

aa) Some national laws foresee audit requirements which imply fees for audit requirements (existing "32 Abs. 1 WpHG", Wertpapierhandelsgesetz/ German Securities Trading Act). Especially in case of full harmonization this audit requirement should not be extended in applicable scope. There are many REMIT only market participants for which additional audit fees would not be proportionate.

ab) familiarization with the processes regarding the EMIR Intragroup derivatives reporting exemption under Article 9 (notification of national competent authorities and notification being valid)

ac) losses of all damage events (operational risk) and costs for measures taken to eliminate the causes for Misreporting (under/over reporting) in the different reporting regimes across MiFIR, EMIR, SFTR and REMIT, calculated based on quantity and quality of staffing being available for transaction reporting rather than the execution of the business strategy (competitiveness disadvantage).

<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>

We are not allowed to disclose the requested confidential cost information. Nevertheless, the one-off cost of implementing option 1a, 1b, 2a and 2b for our non-financial counterparties exceeds millions of euros.

As detailed in our response to previous questions, option 1b is our least preferred solution. Extending the MiFIR scope to non-financial counterparties would have the most significant direct impact on NFCs in Europe without any cost savings as NFCs do not have MiFIR reporting regime currently implemented at all. Also option 2b, i.e. one harmonized report including not only EMIR, MIFIR, SFTR but also REMIT transaction reporting, would also lead to big upfront investments. However, this option also has the highest potential for significant cost savings in the long run.   
In general, the exact estimated average cost saving (per transaction) highly depends on the details of option 1a, 1b, 2a and 2b (reporting channels and flows, file formats like ISO 20022 XML schema, csv/ comma separated values, JSON/ JavaScript Object Notation, Dual-sided reporting obligation and determination of Entity Responsible for Reporting).

<ESMA\_QUESTION\_CASR\_30>