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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 | EnBW Energie Baden Württemberg AG |
| 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>

We generally agree with the challenges identified and outlined by ESMA. We see the need to particularly focus on the fragmentation of reporting frameworks we must comply with while at the same time experiencing frequent regulatory changes without proper coordination across the regimes. Further, these reporting regimes include very granular and burdensome numbers of data fields, which add complexity without necessarily contributing to supervisory effectiveness. Additionally, some of the reporting deadlines are very tight, leaving limited time to validate and reconcile data, which increases the risk of errors. A more proportionate approach to data fields and reporting timeline would significantly enhance the efficiency and reliability of the reporting process.

Hence, as a prerequisite for the design and proposal of new reporting options, we call for a thorough assessment of the rationale for requesting the data currently provided by market participants. This rationale could then serve as the basis for new proposals. The key cost-driving challenges are:

Frequent changes of the regulatory framework: the considerable time and resources absorbed by the adaptation to frequently revised regulatory requirements could be mitigated by a more structural and coordinated approach. This also means that any future revision should be undertaken only upon a robust and forward-looking design so that the new regime would be stable (namely, avoiding new adjustments afterwards).

Different reporting channels across frameworks: the multitude of reporting channels and logics among MiFIR, MiFID and EMIR (and in fact further national reporting obligations) creates complexity and inefficiencies for market players. Most notably, it requires us to build and maintain multiple systems and processes to comply on all fronts. For instance, ETD reporting is branched across EMIR, MiFIR and MiFID. Position-levels required in addition to transaction-level data, should also be harmonized across channels for non-financial firms as different trading venues require data with different format, content and transmission protocols. More fundamentally, the provision of position-level requirements seems unwarranted for non-financial firms as position information is generally retrievable through trading venues from the underlying transactions.

Different terminology and definitions within different reporting regimes: the more divergent the definitions are, the more complex their implementation becomes. Ideally, these definitions should be harmonized.

<ESMA\_QUESTION\_CASR\_1>

1. Do stakeholders agree with the proposed principles and related description? Is there any other aspect/principle that should be considered?

<ESMA\_QUESTION\_CASR\_2>

We overall agree with the proposed simplification principles and related descriptions, i.e. preserving information scope, reducing overlaps, ensuring global alignment, and balancing cost and benefit. In fact, we suggest including also the principle of “sector specific simplification “, recognizing the specific characteristics (e.g. no systemic risk) of non-financial counterparties. Thus, 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). In addition, the reporting responsibilities should be clearly defined, i.e. placing the responsibility of ETD reporting on trading venues/CCPs/clearing banks, including positions, without unnecessary involvement of the (non-financial) counterparties.

Overall, balancing costs and benefits is the most critical principle. In this regard, we emphasize that any additional review should be designed in a robust and forward-looking manner. Otherwise, the challenge of frequent regulatory changes and lack of flexibility highlighted by ESMA would be further aggravated. It would also create extra burden for market participants, which are still undergoing cost-intensive investments as a result of recent regulatory updates (EMIR REFIT and REMIT II).

Preserving information scope is also a valuable principle, in keeping with which we call on ESMA to limit its current review to reporting frameworks that are within its scope of activity. Reporting frameworks with very sector-specific features, such as REMIT, should not be included as they (i) can be hardly combined with other streams and (ii) do not currently exhibit reporting overlaps with other Regulations.

<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>

As a general premise across all options, any proposal would produce costs for all the impacted entities and should be hence cautiously assessed against the cost-benefit principle.

Overall, Option 1a seem to offer advantages by assigning ETDs exclusively to MiFIR and OTC derivatives to EMIR, thereby creating a straightforward and efficient reporting structure. It eliminates the need to report ETDs under both EMIR and MiFIR, directly addressing the duplication of derivative reporting as highlighted in Section 3. This approach simplifies compliance for firms active in both OTC and exchange-traded markets, particularly for energy companies that rely on ETDs for hedging and OTC instruments for tailored risk management. The option would also contribute to the principle of simplification of IT systems by reducing parallel reporting infrastructures. We assume that also data quality and usability could be improved. By consolidating ETD reporting under a single regime, it allows for consistent templates and definitions, thereby tackling the issue of inconsistent terminology and data standards. Supervisory authorities benefit from receiving cleaner, non-duplicated datasets, which enhance both market surveillance and systemic risk monitoring.

<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>

Overall, to avoid compromising the advantages of Option 1a, the delineation should not result in additional reporting requirements to non-financial firms about OTC data.

While option 1a comes with benefits, there are also limitations and potential risks that need to be considered. Adapting EMIR templates to include data points currently required for market abuse surveillance under MiFIR could significantly increase complexity. This would dilute the intended simplification and may result in template increase rather than streamlined reporting. Depending on the exact delineation and determination of the reporting scope (e.g., non-financial counterparties trading on a third-country venue involving third-country central counterparties and/or third-country direct clearing members), non-financial counterparties currently not in scope of MiFIR may be required to establish a MiFIR reporting solution that is not currently applicable. For example, the obligation to report transactions under Article 26 MiFIR applies only to financial counterparties, not to non-financial counterparties.

However, we strongly oppose extending the MiFIR scope to non-financial counterparties and we strongly recommend revoking any reporting obligations for derivatives under MiFIR, as these requirements can be effectively subsumed into the existing single-sided EMIR Article 9 reporting framework with the addition of certain data elements. Moreover, there is no added value in the proposed option, since it would still require the maintenance of the different reporting regimes.

A further challenge lies in regulatory and legal uncertainty. Reassigning reporting obligations between MiFIR and EMIR requires Level 1 legislative changes, which, according to ESMA, could take up to five years to implement. During this period, transitional uncertainty may arise, as inconsistent timelines and phased implementations across jurisdictions could temporarily exacerbate the lack of synchronization highlighted in Section 3 of the consultation. Finally, Option 1a also entails a short-term cost impact. While it promises to reduce duplication and IT complexity in the long run, its implementation will require significant IT adaptations, system testing, and staff training, all of which add to transition costs. These short-term efforts directly reflect the implementation burden and IT duplication issues discussed in Section 3, even if they are only temporary.

<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>

While Option 1a provides a basis for reducing duplication and aligning reporting responsibilities, several key components are currently missing or not adequately addressed. First, the option lacks a centralized and standardized data dictionary. In Section 3, ESMA identified inconsistent terminology and definitions across EMIR, MiFIR, and SFTR as a major driver of reporting burden. Without a single, harmonized data dictionary, Option 1a risks perpetuating these inconsistencies, even if ETDs are reassigned solely to MiFIR.

Second, a phased implementation and transition plan is essential. As highlighted in the Key Issues, frequent regulatory changes and unsynchronized timelines significantly increase the compliance burden. A clear roadmap with defined co-existence periods for legacy and new reporting structures would reduce short-term operational pressure and mitigate the risk of fragmented adoption across jurisdictions.

Third, the option should explicitly address data access and supervisory visibility. Reassigning ETD reporting to MiFIR without a robust framework for data access, validation, and sharing could result in temporary data gaps for authorities such as ESMA or ACER, undermining the dual purpose of market surveillance and systemic risk monitoring noted in Section 3.

Finaly, as mentioned in Q2, it is fundamental to clarify reporting responsibilities to the different entities under the different frameworks. Specifically, reporting responsibility of ETD should be on trading venues/CCPs/clearing banks, and reporting responsibility of OTC should be principally on investment firms (hence minimized for non-financial firms).

Incorporating these elements would significantly strengthen Option 1a. It would ensure that the simplification effort not only reduces duplication but also tackles the root causes of inefficiency and fragmentation described in Section 3.

<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 provided in the document. As a non-financial counterparty, it would require massive IT changes to implement a respective solution. We therefore reject option 1b as it 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>

Besides being more complex, Option 1b also has a less clear rationale than Option 1a (being EMIR focus on OTC derivatives). Furthermore, it would lead to new burdens and costs for non-financial firms, which would have to devise new processes and systems to adapt OTC reporting for EMIR to MiFIR.

<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>

Option 1b is not designed for the use case of non-financial counterparties. <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>

While we see the point of ESMA that Option 2a may, potentially, foster simplification and harmonization eventually, this would, however, very much depend on clear and proportionate reporting responsibilities. In keeping with previous considerations, even more relevant here, it is recommended that responsibilities of ETD and OTC are kept with trading venues/CCPs/clearing banks and investment firms, respectively.

It should also be noted that there would also be significant implementation efforts. Therefore, if further pursued by ESMA, this option should be designed with particular caution and forward-looking approach.

<ESMA\_QUESTION\_CASR\_9>

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

<ESMA\_QUESTION\_CASR\_10>

Despite the benefits of Option 2a, we see also considerable limitations and risks, particularly in terms of implementation costs and transition complexity. There would be a need to redesign IT infrastructures, migrate data, and retrain staff to comply with the new integrated model, which would lead to higher implementation costs than under Option 1a and Option 1b. Also, the proposed Option 2a does not provide any approach that addresses transactions between NFCs. In this context, the question of liability must also be addressed, particularly concerning the allocation of responsibilities under a one-sided reporting regime. Otherwise, the intended simplification may create additional legal uncertainty and undermine the effectiveness of the model.

<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>

Structured transition and cost management plan:

Given the high initial implementation costs, a phased rollout with co-existence periods for legacy and new systems would be essential to mitigate operational and financial pressure on market participants. In this context, the proposal to merge current reporting systems should be designed in a way that does not require new data from non-financial firms. To achieve this, the centralized data hub should use the already extensive amount of information being reported under EMIR.

Centralised supervisory access and governance framework:

A unified “report once” system requires clear access rights, robust validation procedures, and harmonised data-sharing protocols to prevent temporary data gaps and to ensure seamless oversight by ESMA, NCAs, and ACER. This directly addresses the key issues of fragmented reporting channels and data quality risks.

Harmonised data model and standardised lifecycle mapping:

Option 2a lacks an explicit commitment to a fully harmonised data model, where all instruments, lifecycle events, and reporting fields are consistently defined and linked. Without this, there remains a risk of inconsistent reporting and reconciliation challenges, which undermines the very objective of the “report once” principle. Standardised lifecycle mapping is essential to ensure that trade execution and all subsequent events can be tracked, validated, and analysed across regimes.

The determination of Entity Responsible for Reporting is missing. Incorporating these components would reduce operational risk, strengthen supervisory integration, and help realise the long-term cost savings and efficiency gains promised by Option 2a.

<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>

Option 2b appears to be by far the most complex and burdensome proposal. It also poses concerns of unwarranted scope overlap between clearly defined frameworks. We do not see a need to follow up further on this option.

<ESMA\_QUESTION\_CASR\_12>

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

<ESMA\_QUESTION\_CASR\_13>

Option 2b also entails significant limitations and risks, primarily due to its complexity and scale. It has the highest implementation cost of all options and requires the longest implementation timeline. Furthermore, financial markets and wholesale energy markets have their own specificities, as demonstrated by the fact that they have separate sectorial regulations under their respective sectorial regulators. Where therefore see risks in aggregating information of a very broad and differentiated nature. This would result in excessively wide and confusing reporting content, especially as REMIT requires six different tables about the various types of wholesale energy products (which cover not only gas and power commodities, but also the related capacity and storage contracts). On one hand, these tables are instrumental for National Regulatory Authorities and ACER to carry out market surveillance. On the other hand, they have little overlap with financial regulation due to the structural differences between financial markets and wholesale energy markets. While REMIT and MAR may have the same objectives, the markets to which they apply are profoundly different and must therefore be read and interpreted accordingly. In this case, merging would lead to complexity instead of simplification.

In addition, the unclarity about the reporting responsibilities on ETD and OTC would have to be sorted out in a way that does not result in new requirements for non-financial firms.

We therefore call on ESMA to focus on the potential overlaps and reporting-responsibilities clarifications within financial regulation. From the point of view of the reporting parties, REMIT does not pose any problem in terms of reporting overlaps, as it clearly establishes the principle that information on any transaction already reported under EMIR must be retrieved by ACER directly from the TRs, without further actions required by market participants.

<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>

As outlined before, we do believe that Option 2b should not followed up further. <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>

In our view, Option 1a should be prioritised in the short term, while Option 2a serves as a longer-term strategic goal. Option 1a (instrument-based delineation), offers quick wins by eliminating the most burdensome duplications between EMIR and MiFIR without requiring full legal or IT overhauls. Option 2a might potentially lead to higher harmonization in the long term, its remarkable complexity and implementation costs make it less preferrable than Option 1a. Also, before considering a move towards Option 2a, important details must be clarified to ensure feasibility and proportionality. ESMA should therefore first deliver and consolidate the near-term improvements, and only then define and communicate clear targets for the next stage, outlining what should be achieved in the future and by which steps. Hence, Option 1a should be prioritized over Option 2a.

Options 1b and 2b should be discarded as they are outranked due to both their higher complexity and costs as well related risks.

<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>

Option 1a is satisfactory already.

<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>

Option 1a is preferred as it would make reporting more consistent, without introducing new requirements for NFCs. The report once approach should be the guiding principle in any design of reporting flows.

<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>

Having trading venues responsible for ETD reporting is the most efficient solution, as they possess the best information to perform accurate reporting for ETD operations. Limiting the number of entities responsible for reporting to a unique subject also streamlines the whole process and reduces risk and complexity while increasing data quality.

<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>

While a centralization of reporting data may lead to increased harmonization, we deem it fundamental that it would be designed paying attention to risky drawbacks.

The centralized data hub should be managed by regulators post-collection, aiming not to introduce additional data requirement to reporting parties and in any case minimize the implementation and operational costs of any new system. Thus, it must enable cross-access to the data base (e.g. ACER to EMIR data, ESMA to REMIT data, including OTC energy trades).

So the focus should be on data sharing based on existing reporting; centralization should not trigger a new reporting framework. The benefits of harmonization would be compromised by the infeasible merger of markets with structurally different logics. Clear data access governance, robust validation procedures, and phased testing are therefore essential to ensure that a central ESMA hub enhances transparency without disrupting existing operational processes.

<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>

As outlined before centralisation of reporting offers significant advantages for both market participants and supervisors. It reduces IT complexity, minimises duplicate submissions, and supports higher data quality through unified validation processes. Centralisation also provides a clearer compliance framework, making internal workflows more predictable and auditable. Potential disadvantages include high implementation costs, the need for robust cybersecurity and governance, and the risk of operational bottlenecks.

<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>

In principle, Distributed Ledger Technology (DLT) and smart contracts have the potential to streamline the reporting process, particularly from the perspective of developers and IT infrastructure. They can enhance automation, data integrity, and back-end transparency.

However, from the end-user’s point of view, especially in the energy sector, the reporting processes implemented by companies are already highly automated, with minimal human intervention in the actual data reporting. Introducing DLT would primarily impact on the underlying software architecture and data handling processes, rather than the user interface or overall user experience. As a result, while technology could offer backend improvements, the visible changes for users would likely be limited.

<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>

Dual-sided reporting is a significant source of costs for counterparties. Apart from the recent investments to reinforce reconciliation activity following EMIR REFIT, there are also significant operational costs associated with this process. Reconciliation activity can be very time-consuming as the very broad and detailed content of EMIR reporting leads to frequent discrepancies.

We therefore support a revision aimed at limiting the reporting submission to one side of the transaction only. We believe that while dual-sided reporting does not really reduce the ability of reporting entities to fully control the data submitted to authorities, discrepancies can easily arise due to differences in data interpretation, timing, or internal system configurations. This often leads to reconciliation failures, regulatory queries, and unnecessary remediation efforts. We therefore believe that a move toward strictly single-sided reporting could alleviate these challenges. Allocating clear responsibility to one party per transaction, based on a transparent hierarchy (e.g., FC > NFC+, or default to the seller when both parties are equal) would eliminate duplication, simplify compliance processes, and improve data integrity. Such a model would preserve regulatory oversight while removing one of the most burdensome and error-prone aspects of the current EMIR framework.

Having said that it must be clear that already existing provisions and arrangements for NFCs need to be taken into account (e.g. reporting obligations for FCs). Also, it must be ensured that removing dual-sided reporting requires that the reporting entity must be fully responsible for the accuracy of the data. In summary, the removal of dual-sided reporting would be effectively beneficial only if not replaced by alternative measures that eventually prove more complicated, unclear and burdensome.

<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>

Yes, we would welcome an elimination of daily reporting. This burden reduction would be especially justified in the recognition that it may not be essential for the regulator to receive the information as early as the next day. Aligning reporting frequency with actual risk and market needs is a key element of simplification. We have previously stressed that daily, highly granular reporting is unnecessary for non-systemically relevant actors in the energy sector, particularly for hedging trades and low-volume activity.

Proposed adjustments include: a) Risk-based reporting frequency, where systemic institutions maintain daily reporting while non-financial counterparties could report less frequently. b) Event-driven reporting for post-trade updates rather than mandatory daily submissions for all lifecycle events. c) Batch processing windows to reduce operational stress and IT load, while still meeting supervisory needs.

Such changes would directly reduce operational costs and reconciliation efforts, aligning with industry calls for proportionality and burden reduction.

Further, effective standardisation of reporting fields, formats, and lifecycle events is essential to unlock cost savings and improve data quality. Fragmented definitions and divergent templates remain major cost drivers. Key measures for improvement include an harmonised reporting framework with uniform field definitions and identifiers (UTIs, UPIs), standardised lifecycle event taxonomy, ensuring that trade updates, margin calls, and novations are consistently captured.

Such standardisation reduces IT complexity, reconciliation costs, and misreporting risks, thereby delivering meaningful long-term savings

<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 a cornerstone of effective regulatory simplification and has been consistently emphasized by us in previous consultations. Non-financial counterparties, particularly in the energy sector, carry low systemic risk and should not be subjected to reporting requirements designed primarily for large financial institutions. A meaningful simplification framework should therefore align the scope and complexity of reporting obligations with the actual risk profile and market role of the reporting entity. Applying proportionality in practice means that reporting responsibilities on ETD and OTC should be assigned to trading venues/CCPs/clearing banks and investment firms, respectively. Also non-systemically important entities should face a reduced reporting burden compared to banks or investment firms. This can be achieved by simplifying templates, reducing the number of reporting fields, and allowing for longer implementation timelines and co-existence periods during regulatory transitions. Non-financial participants should also have the flexibility to rely on intermediaries, such as clearing service providers, to fulfill highly technical obligations when appropriate. By tailoring the reporting framework to reflect the risk contribution and market function of each segment, proportionality not only ensures fair cost allocation, but also enhances overall reporting 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>

Reporting requirements on transaction and position data inevitably imply very remarkable implementation and operational costs. Nevertheless, with regard to the options proposed by ESMA, such cost-benefit analyses (which would be costly themselves) are not deemed necessary as the response to the proposed options has been logic-driven rather than cost-driven.

<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>

Ongoing compliance with EMIR reporting requirements involves a continuous cost burden. The main drivers include fees to trade repositories, IT system maintenance and upgrades, data validation and processing, staff training, and internal or external audit activities. For non-financial participants, these costs can be disproportionate to their systemic relevance, as maintaining dual-sided reporting and performing regular reconciliation requires dedicated resources and recurring expenditures. Any additional obligations, such as implementing new technical standards or adjusting to frequent regulatory changes, further contribute to ongoing costs and operational strain.

<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>

See answer to Q 25

<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>

See answer to Q 25

<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>

In estimating long-term cost savings, it is important to consider indirect and opportunity costs that arise from complex reporting obligations. Maintaining parallel IT systems, frequent adaptation to new templates or regulatory updates, and the operational risk of misreporting all represent significant cost factors over time. Furthermore, the fragmentation of reporting channels and duplicative reconciliation requirements not only increase direct costs but also limit the ability of entities to focus resources on core business operations and risk management. Meaningful simplification and proportionality in reporting would therefore unlock not only direct cost savings but also improve efficiency and reduce operational risk in the long term.

<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>

Transitioning to any of the proposed simplification options will involve material investments and transition costs.

Option 1a will require moderate IT adaptation, staff training, and temporary dual-system management. Costs are manageable and front-loaded but offer early relief through duplication removal.

Option 1b introduces higher short-term complexity, as maintaining dual flows and reconciliation frameworks temporarily increases operational and IT costs before simplification benefits emerge.

Option 2a entails high upfront investments in system redesign, harmonised data models, and process integration. These costs will be offset over time through reduced duplication and unified reporting flows, delivering substantial long-term savings.

Option 2b carries the highest initial cost and operational risk, as it requires multi-regime integration and extensive coordination across sectors. While it promises the largest eventual cost savings and supervisory efficiency, these benefits will only materialise gradually over a longer horizon.

For all options, average cost savings per transaction are expected to improve as duplication is reduced, reconciliation burdens decline, and reporting becomes more automated and standardised. However, achieving these savings requires careful transition planning, phased implementation, and robust support.

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