

PRESS RELEASE

ESMA publishes draft technical standards under EMIR REFIT

The European Securities and Markets Authority (ESMA), the EU’s securities markets regulator, has today published a Final Report on technical standards (RTS and ITS) under the EMIR REFIT Regulation. The report covers data reporting to Trade Repositories (TRs), procedures to reconcile and validate the data, access by the relevant authorities to data and registration of the TRs.

This final report and draft RTS and ITS largely reflect the original proposals included in the consultation paper and focuses on further harmonisation of the reporting requirements as well as enhancements in the counterparties’ and TRs’ procedures on ensuring data quality.

Steven Maijoor, Chair, said:

“Today’s Final Report is an important milestone towards ensuring the full alignment of EU derivatives reporting with globally agreed recommendations, and in establishing the highest standards for data quality worldwide. A globally harmonised approach to derivatives reporting ensures that regulators have the information they need to support their supervisory and financial stability objectives.

“In recent years ESMA has been actively engaged in the development of global guidance on the harmonisation of data elements reported to trade repositories. These elements are essential for the aggregation of data by authorities, through the use of the Unique Transaction Identifier, the Unique Product Identifier and other Critical Data Elements.”

Key proposals

The key proposals included in the technical standards are:

1. **Alignment with international standards** – in particular the global guidance developed by CPMI-IOSCO on the definition, format and usage of key OTC derivatives data elements reported to TRs, including the Unique Transaction Identifier (UTI), the Unique Product Identifier (UPI) and other critical data elements. The introduction of these changes into the EU regulatory framework will foster global data harmonisation and will facilitate compliance for those entities that are subject to derivative reporting requirements in non-EU jurisdiction(s);
2. **End-to-end reporting in ISO 20022 XML** – ESMA proposes that XML schemas developed in line with ISO 20022 methodology are used not only for the communication between the TRs and authorities (as is the case now), but also for reporting from TR counterparties, similar to the requirements in place under SFTR. A fully standardised format for reporting will eliminate the risk of discrepancies due to inconsistent data. While end-to-end reporting in ISO 20022 XML is expected to further enhance data quality and consistency, by reducing the need for data cleaning/normalisation and facilitate their exploitation for various supervisory and/or economic analysis;
3. **Harmonised data quality requirements across TRs** – another cornerstone of the technical standards relates to the enhanced and harmonised data quality requirements for data validation and data reconciliation processes, that take place at the TRs once derivatives are reported to them;
4. **Simplified rules for extension of registration from SFTR to EMIR** – ESMA clarifies the relevant documentation to be provided by TRs willing to extend their registration from SFTR to EMIR in line with the existing requirements for extension from EMIR to SFTR; and
5. **Standardised process for data access** – ESMA includes references to standardise the type of information and the timeline for setting up data access for authorities.

Next steps

The draft technical standards have been submitted to the European Commission, and the proposed timeline for implementation of the technical standards by the reporting counterparties and TRs in the Union is 18 months from the date of their publication in the Official Journal.

In the meantime, ESMA will commence working on the guidelines on reporting under EMIR REFIT as well as on the technical documentation, including XML schemas and validation rules.



ESMA aims to provide the industry with the relevant guidance and documentation sufficiently ahead of the reporting start date to ensure a smooth transition to the reporting under the revised rules.



Notes for editors

1. [ESMA70-362-824 Final report on the technical standards under EMIR REFIT](#)
2. [Regulation \(EU\) 2019/834](#) (EMIR REFIT)
3. [Website on EMIR reporting](#) containing further information and relevant documents
4. CPMI-IOSCO technical guidance on the [Unique Transaction Identifier \(UTI\)](#), the [Unique Product Identifier \(UPI\)](#) and [other critical data elements \(CDE\)](#).
5. The European Commission now has three months either to decide whether to endorse the Technical Standards, or to inform the European Parliament and the Council, in case the adoption cannot take place within the three-month period. Following the adoption by the European Commission, the European Parliament and the Council will have three months of 'non-objection period' (that can be extended by three more months) to review the standards.
6. ESMA is the European Union's securities markets regulator. Its mission is to enhance investor protection and promote stable and orderly financial markets.

It achieves these objectives through four activities:

- i. assessing risks to investors, markets and financial stability;
 - ii. completing a single rulebook for EU financial markets;
 - iii. promoting supervisory convergence; and
 - iv. directly supervising specific financial entities.
7. ESMA achieves its mission within the European System of Financial Supervision (ESFS) through active cooperation with the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA), the European Systemic Risk Board, and with national authorities with competencies in securities markets (NCAs).

Further information:

<p>Sarah Edwards Communications Officer Tel: +33 (0) 1 58 36 64 23 Email: press@esma.europa.eu</p>

