

The implementation of the EMIR reporting, contrary to expectations, was probably one of the most challenging reporting issues faced by market participants over the last year.

Buy side and sell side financial participants, as well as corporate participants, have had to take on an **additional operational burden** mainly due to the unexpected complexity of transposing roughly 80 transaction fields into Trade Repositories on a daily basis. The market players were not accustomed to **these daily reporting obligations**, which were further impeded by the grey area around key reporting fields.

The possibility of delegating the reporting to sell side brokers was welcomed by the buy side. However, for those using multiple brokers and venues, delegating the reporting was not the silver bullet for solving all reporting requirements.

Furthermore, in **EMIR** - contrary to the Dodd-Frank Act (DFA) - each counterparty remains responsible to their regulator for ensuring **timely reporting and accuracy of the data**.

**Accuracy still remains a key issue** when it comes to EMIR and the poor quality of some of the basic data being reported - namely the 'I' trio, i.e. the LEI, UTI, UPI fields. These challenges explain most of the reconciliation issues and the difficulties encountered by reporting firms and Trade Repositories.



## A team dedicated to you

Our team can support your firm in meeting the current and coming regulatory reporting requirements with the assistance ranging from strategic considerations to the full implementation.

Deloitte's support represents a pragmatic and efficient approach based on solid expertise and includes among others the following services:

- Strategic organisation and operational efficiency of transaction (trade & post trade) business
- Health check of regulations requirements
- Transaction Reporting and Valuation Solutions
- Collateral Management – Margin requirements for OTC and cleared derivatives transactions

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## When EMIR met MiFIR...

## New transaction reporting opportunities



## The regulatory reporting journey continues in 2015

The European Securities and Markets Authority (ESMA) has decided to address the reporting issues with new validation rules (Level 2 validation) which are in force and applicable by the Trade Repository since early November 2015.

ESMA is also addressing the need of clarification on some data fields and introducing a set of new fields related to collateral, Credit Default Swap (CDS) and new energy data in order to be aligned with the upcoming REMIT regulation for the energy market (Regulation on Wholesale Energy Markets Integrity and Transparency) which were due on 7 October 2015.

## Hand in hand with other reporting requirements

In addition to the EMIR-related changes, the transaction reporting requirements will continue to pave the regulatory reporting highway in Europe and beyond in the next coming months and years

### MiFID II and MiFIR

MiFIR will extend the scope of EMIR with additional product types in the reporting scope. Transactions will be sent on a daily basis to the National Competent Authority (NCA) by the investment firms via the regulated trading venues or appointed reporting mechanism (ARM)

### Securities Financing Transactions (SFT) Regulation

has been adopted in November 2015. The financing transactions (i.e securities lending, borrowing, repurchase agreements) are to become reportable by financial and non-financial counterparties to the trade repository as from 2017

**The REMIT Implementing Act**, covering market abuse of the wholesale energy markets, will lead to additional reporting requirements as from October 2015

**The Swiss equivalent of EMIR, FinfraG** is expected to come into force in early 2016

## Where firms may need to define a proper and long-term strategic trade transaction reporting model

For more and more financial counterparties, the question is now how to put in place a long-term strategic transaction reporting solution.

EMIR and the upcoming transaction reporting regulations as MiFIR and SFTR are seen as catalysts for reshaping the regulatory reporting processes. Indeed, these pre- and post-trade reporting requirements will be embedded in day-to-day operations. They will need to be properly supported by an efficient, reliable and scalable reporting architecture and IT infrastructure.

The design of the regulatory reporting model should not be organized as a set of different interfaces built around each regulation. It should be built around your trade and post-trade value chain, extracting the data from different applications and centrally consolidating it.

A well-designed transaction reporting model is the only way to achieve proper efficiency and consistency in data reporting and will furthermore give your organization a holistic view of your reporting compliance duties. Moreover, it will help you establish a data repository infrastructure that meets multiple regulatory requirements.

New internal or outsourced reporting solutions will need to act as integrated platforms. These platforms will help regulated entities to achieve compliance on a cross-regulation and cross-jurisdiction basis.



## How to achieve innovation and compliance in your regulatory reporting solutions

While the National Competent Authority has not yet divulged their roadmap and activities in terms of reporting supervision, it is clear to all of the market participants that the attention of such activities will certainly increase in the future.

Deloitte Luxembourg's regulatory practice has a proven track record on transaction reporting requirements assessment and regulatory reporting solutions.

We have built a strong team of industry and regulatory experts as well as reporting platforms giving our clients one central reporting counterparty to manage their current and future transaction reporting.

Our solutions enable clients to leverage from a central team and platform which ensures a timely and quality reporting of their transactions to the competent authority. On top of delivering an efficient reporting process, our solution provides added value compliance and business operations reporting.

### Benefits of using Deloitte's Regulatory Reporting

- One centrale data channel
- Compliance with relevant reporting obligations (MiFIR, EMIR, REMIT, SFTR)
- Full service offering including data formatting, report preparation and sending
- Integrated issue management
- Data consistency & integrity
- Continuous regulatory watch and adaptation to new requirements
- Dashboard and state-of-the-art reporting