

Deloitte Regulatory News Alert

EMIR

14 November 2016

New Regulatory technical standards on data to be reported to trade repositories in line with new rules on collateral exchange

On 19 and 26 October, the European Commission adopted two texts (a delegated regulation and an implementing regulation) regarding the minimum details of the data to be reported to trade repositories regarding derivative trades covered by EMIR. The changes to reporting done by clients are expected to apply as of late Q3/Q4 2017.

The main impacts for clients of the adopted texts are around three areas:

1. The reporting of collateral:

The value of Initial Margin posted and received, as well as the value of Variation Margin posted and received will need to be reported separately. As of today, a single number needed to be sent. This requirements should be seen in conjunction with the commission-delegated regulation on risk mitigation techniques for non-centrally cleared OTC derivatives of 4 October 2016. In the delegated regulation, specific rules on the exchange of Initial and Variation margin are imposed. The new rules on collateral exchange are expected to be published before the end of year and will affect all counterparties, except for small non-financial counterparties. For more information, please click [here](#).

2. An extension for the reporting of historic trades:

All outstanding trades between 16 August 2012 and the reporting start date are extended to five years after the start date of the reporting. In practice, this extends the reporting date from 12 Feb 2017 to 12 Feb 2019.

3. A framework for who should create the Unique Trade Identifier of the transaction:

To this date, counterparties are experiencing difficulties in obtaining the UTI of a transaction to report in time and avoid duplicates. The new implementing regulation creates a framework for who is responsible for creating the UTI, including also a clause that the counterparty responsible for creating the UTI must provide it to the other counterparty in a timely manner so all are able to meet their reporting requirements.

The revised RTS also aim to:

Clarify data fields, their description, or both

Adapt existing fields to the reporting logic prescribed in existing Q&As or to reflect specific ways of populating them

Introduce new fields and values to reflect market practice or other necessary regulatory requirements

How can Deloitte help you?

Every step of the way

1. Strategy definition and implementation

Design and calibrate a strategy for collateral management with practical implementation throughout the organization.

2. Regulatory and Agreement Health check

Assessment of the internal setup toward regulatory requirements as well as documentation/agreement scan for compliance with each requirement of each commission delegated regulation, identifying any gaps and advising on remediation actions.

3. Transaction reporting

Deloitte can provide a fully-integrated transaction reporting service for derivatives, with active monitoring of all changes to the reporting requirements, with minimum impact for clients.

4. Model calibration and validation

Design, calibrate, validate, and document models created for the determination of credit quality, initial margin to be posted and collateral value (haircuts). Thanks to our developed advisory practice, Deloitte can assist you in assessing various remediation scenarios and integrate the new requirements in the most efficient way.

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