

Regulatory News Alert

The ESMA updates its validation rules under the EMIR

17 August 2018

On **Thursday 9 August 2018**, ESMA updated its [validation rules](#) under EMIR, with regard to the revised technical standards on reporting under Article 9.

The [updated validation rules are provided in an excel](#) table and are highlighted in red in the "Conditions, and Format and Content" column. The updated validation rules concern the submitted reports for the five following fields:

1) Reporting Timestamp

- The reporting timestamp should be the same as or dated earlier than the timestamp of the receipt of the report by the Trade Repository (TR). The date part of the timestamp cannot be earlier than the day preceding the date of receipt of the report by the TR. Receipt of the report should be understood as the moment the report enters a TR system.

2) Reporting Counterparty ID

- For action types "N", "M", "C", "R", "Z", "V" and "P", the field shall contain a valid Legal Entity Identifier (LEI) included in the Global Legal Entity Identifier Foundation (GLEIF) database maintained by the Central Operating Unit (COU). The status of the LEI for all the above action types shall be either "Issued", "Pending transfer" or "Pending archival". In addition, for action type "C", the status of the LEI may also be "Lapsed" or "Retired". For action type "E", the field shall contain an LEI included in the GLEIF database maintained by the COU, irrespective of the registration status of that LEI.

3) ID of the Other Counterparty

- If field 1.3 "Type of ID of the other Counterparty" is populated with "LEI", this field shall be populated with a valid LEI included in the GLEIF database maintained by the COU. For action types "N", "M", "C", "R", "Z", "V" and "P", the status of the LEI shall be "Issued", "Lapsed", "Pending transfer" or "Pending archival". In addition, for action type "C", the status of the LEI may also be "Retired". For action type "E", this field shall contain an LEI included in the GLEIF database maintained by the COU, irrespective of the registration status of that LEI. If field 1.3 "Type of ID of the other Counterparty" is populated with "CLC", this field shall contain up to 50 alphanumerical digits where any character is allowed.

4) Underlying Identification

- If field 2.2 "Asset class" is populated with "EQ", this field shall be populated. If field 2.2 "Asset class" is populated with "CR", one of the fields 2.7 "Underlying identification type" or 2.84 "Reference entity" shall be populated. If field 2.2 "Asset class" is populated with "IR", at least one of the following fields shall be populated: 2.7 "Underlying Identification", 2.39 "Fixed rate of leg 1", or 2.55 "Floating rate of leg 1". If field 2.2 "Asset class" is populated with "CO" or "CU", this field can be left blank. When populated, this field shall contain one of the five following values: "I", "A", "U", "B" or "X". "NA" is accepted when the actual value is not available.

5) Confirmation Means

- If field 2.15 "Venue of execution" is populated with an MIC code other than "XXXX" or "XOFF" and field 2.35 "Cleared" is populated with "N", this field shall be populated with "N".

The new amendments will be applicable from 5 November 2018.

How can Deloitte help?

To prepare for the new reporting challenges, Deloitte Luxembourg established Deloitte Solutions in 2016. Deloitte Solutions is a PSF entity subject to strict IT security and data confidentiality standards, and Deloitte's Transaction Regulatory Reporting services (T2R) are handled in the Deloitte Solutions' environment.

With its T2R services, the Deloitte team combines its regulatory knowledge with smart technical solutions, and manages the transactional reporting for its clients as a dedicated agent from A to Z. This comprehensive approach makes the Deloitte Transaction Regulatory Reporting solution one of the only platforms in Europe designed to manage EMIR reporting for clients in a cost and resource-efficient manner.[A1]

Thanks to its RegWatch Kaleidoscope service, Deloitte helps you stay ahead of the news to leverage regulations for your strategic business objectives.

Your contacts

Laurent Collet

Partner - Strategy Regulatory
& Corporate Finance
Tel: +352 45145 2112
lacollet@deloitte.lu

Kevin Demeyer

Senior Manager - Strategy Regulatory &
Corporate Finance
Tel : +352 45145 3808
kdemeyer@deloitte.lu

Saber Abderrahmane

Senior Manager - Strategy Regulatory &
Corporate Finance
Tel : +352 45145 3011
asaber@deloitte.lu

Benoit Sauvage

Senior Manager – RegWatch, Strategy &
Consulting
Tel: +352 45145 4220
bsauvage@deloitte.lu

Deloitte Luxembourg
560, rue de Neudorf
L-2220 Luxembourg

Tel: +352 451 451
Fax: +352 451 452 401
www.deloitte.lu

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