23 June 2025
ESMA12-437499640-3021

Call for evidence

On a comprehensive approach for the simplification of financial transaction reporting

Responding to this paper

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex 1. Comments are most helpful if they:

1. respond to the question stated;
2. indicate the specific question to which the comment relates;
3. contain a clear rationale; and
4. describe any alternatives ESMA should consider.

ESMA will consider all comments received by **19 September.**

All contributions should be submitted online under the relevant consultation.

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.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading 'Legal Notice and Data protection'.

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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1 Executive Summary

Reasons for publication

As part of ESMA's initiatives aimed at burden reduction and simplification, and in light of various ongoing initiatives in the same area developed by the Commission, ESMA is launching this call for evidence to gather feedback on opportunities to integrate, streamline, and simplify with a view to reduce the burden associated with complying with financial regulatory reporting requirements without compromising the robustness of supervisory oversight. It seeks input to identify major cost drivers in financial transaction reporting and collect views on how best to work towards a comprehensive review for the simplification of financial transaction reporting.

Contents

Section 2 explains the background to our proposals, the ongoing initiatives and the reasons for publication. Section 3 elaborates on the key issues related to multiple regulatory reporting regimes with duplicative or inconsistent requirements. Section 4 sets out our proposals on the identification of alternative options for the simplification of regulatory reporting. Section 5 includes a high-level impact assessment. Annex I contains the summary of the questions.

Next Steps

ESMA will consider the feedback received in response to this Call for Evidence (CfE) and expects to publish a final report at the beginning of 2026 outlining the key areas to be covered by the simplification exercise and the definition of the preferred simplification option.

2 Introduction

Background

1. When it comes to the regulatory requirements on financial transaction reporting, EU legislation includes three key reporting frameworks for financial markets: Markets in Financial Instruments Regulation (MiFIR[1]) for transactions in financial instruments, European Market Infrastructure Regulation (EMIR[2]) for derivatives transactions, and Securities Financing Transactions Regulation (SFTR[3]).

2. These legal frameworks were developed in the aftermath of the 2008 financial crisis. As such, each serves a specific purpose, and their implementation followed different timelines. However, taken together, and despite the efforts to avoid it, the resulting requirements impose significant costs on reporting entities, including inconsistent and duplicative reporting.

3. EMIR (applied since 2012) aimed to enhance transparency in Over-the-counter (OTC)[4] derivatives markets and reduce risks to financial stability by mandating their reporting to Trade Repositories (TRs), as proposed by the European Commission (EC) and agreed at the international level[5]. During negotiations, the scope of EMIR was expanded to include Exchange-Traded Derivatives (ETD), which were already subject to reporting under the MiFID I[6], creating an initial overlap. The introduction of MiFID II[7] (in application since 2014) and MiFIR (applicable since 2018) further increased this overlap by imposing comprehensive transaction reporting requirements for a significant part of OTC derivatives transactions to National Competent Authorities (NCA), unlike EMIR, MiFIR also includes a separate daily reporting for trading venues to feed the reference data relating to these derivatives[8]. Subsequent developments, including EMIR Refit in 2019, which introduced further changes to ensure international alignment and the ongoing MiFIR Review, which further broadened the scope of OTC derivatives subject to transaction reporting, exacerbated the duplication of reporting obligations between EMIR and MiFIR regimes posing challenges for compliance and regulatory coherence (see high level impact analysis in section 5 for quantitative analysis of the overlap).

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[1] Regulation (EU) No 600/2014
[2] Regulation (EU) No 648/2012
[3] Regulation (EU) 2015/2365
[4] OTC derivatives are defined in EMIR (Regulation (EU) 648/2012, Art. 2(7)) as contracts not executed on regulated markets. ETD are implicitly defined as those executed on such markets.
[5] 2009 G20 declaration of Pittsburgh - Improving over-the-counter derivatives markets: All standardized OTC derivative contracts should be traded on exchanges or electronic trading platforms, where appropriate, and cleared through central counterparties by end-2012 at the latest. OTC derivative contracts should be reported to trade repositories.
[6] Directive 2004/39/EC
[7] Directive 2014/65/EU

4. In parallel, additional sectorial regulation, with requirements on reporting, became applicable: REMIT[9] (2011), Securitisation[10] (2019) and SFTR (2020).

5. Transaction reporting is one of the costliest areas in the financial sector as identified in the Commission's fitness check for supervisory reporting, and it creates significant costs for authorities as well. A 2019 study[11] estimated the costs to the industry of MiFIR, EMIR and SFTR reporting taken together to be in the range of EUR 1 - 4 billion per year.

6. Based on feedback received from market participants during the reviews of the L2 reporting technical standards related to these reporting frameworks, ESMA concluded that the most significant burden stemming from these reporting obligations originates from the siloed sectorial approach in the respective frameworks, which led to overlaps and misalignments. While ESMA strived to ensure the best possible alignment of reporting obligations across all the regimes, the issues related to duplicative obligations and inefficient processes stemming from the siloed approach to rulemaking could not be addressed.

Ongoing initiatives

7. The current focus of the European Commission on burden reduction and simplification, underlined recently in the Competitiveness Compass[12] and the "Simpler and Faster Europe" Communication, set the goal of reducing reporting burden by 25% for all companies and by 35% for SMEs. In line with this goal[13], the EC set out a vision for an implementation and simplification agenda aimed at reducing the regulatory load for people, business and administrations in the EU. The communication called on all stakeholders to take bold and concerted action, rather than an incremental approach, and to work together to streamline and simplify EU, national and regional rules.

8. The first of the upcoming proposals, published on 26 February 2025, is a simplification package[14], which includes an Omnibus package and other simplification proposals[15].

[9] Regulation (EU) No 1227/2011
[10] Regulation (EU) 2017/2402
[11] European Commission: CEPS, Directorate-General for Financial Stability, Financial Services and Capital Markets Union and ICF, Study on the costs of compliance for the financial sector – Final report, Publications Office, 2020, https://data.europa.eu/doi/10.2874/068657.
[12] A Competitiveness Compass for the EU
[13] As stated in its communication of 11 February 2025 entitled 'A simpler and faster Europe: Communication on implementation and simplification'
[14] https://finance.ec.europa.eu/news/omnibus-package-2025-04-01_en
[15] The first Omnibus package covers a number of legislative areas, including sustainable finance rules, carbon border adjustment mechanism and investment with the aim of simplifying EU rules, enhancing competitiveness and attracting investment.

9. The recent targeted consultation on the review of the functioning of commodity derivatives markets and certain aspects relating to spot energy markets[16] also sought to identify areas where reporting should be streamlined and/or better harmonised, bearing in mind the Commission's burden reduction objective. Among other elements, it sought feedback on whether REMIT reporting, on the one hand, and MiFID/MiFIR/EMIR reporting, on the other hand, should be streamlined and/or more harmonised. ESMA, in its response[17] to this consultation, called for a wider review, not limited to commodity derivatives, of the reporting frameworks, and stressed the need for streamlining the identified inefficiencies, lack of standardisation and duplications.

10. Additionally, in line with the EC supervisory data strategy[18], the co-legislators in the latest review of MiFIR, have given a mandate[19] to ESMA to assess the feasibility of more integration in transaction reporting and streamlining of data flows to reduce duplicative or inconsistent requirements for transaction data reporting, in particular between MiFIR, EMIR and SFTR frameworks, by March 2028. Similar requirements were introduced in Alternative Investment Fund Managers Directive (AIFMD)[20] and Undertakings for Collective Investment in Transferable Securities (UCITS)[21], with a mandate for ESMA concerning the development of an integrated supervisory data collection system, with a focus on reducing areas of duplication and inconsistencies between the reporting frameworks in the asset-management sector and other sectors of the financial industry. A Discussion Paper is being launched in parallel to the publication of this Call for Evidence to consult relevant stakeholders.[22]

11. Furthermore, this mandate requires ESMA to assess the feasibility of improving data standardisation and the efficient sharing and use of data reported within any Union reporting framework by any relevant authority at Union or national level. While the deadline for this report is not imminent, ESMA, in coordination with the Commission services, considers that this is the right time to advance this assessment and look at reporting frameworks in a more comprehensive manner, with a view to identifying options to achieve simplification and burden reduction and avoiding continued implementation costs due to the ongoing sectorial reviews while proceeding with this reform. While this exercise is conducted, ESMA has decided to not propose any

[16] Targeted consultation on the review of the functioning of commodity derivatives markets and certain aspects relating to spot energy markets 2025 - European Commission
[17] https://www.esma.europa.eu/sites/default/files/2025-05/ESMA74-2134169708-7942_ESMA_s_response_to_the_EC_commodity_derivatives_review.pdf
[18] COM(2021) 798 final
[19] This mandate is included in Article 26(11) of MiFIR.
[20] Directive 2011/61/EU
[21] Directive 2009/65/EC
[22] ESMA12-2121844265-4904 Discussion Paper on the integrated collection of funds' data

changes to the interlinked reporting frameworks in MIFIR (transaction reporting, reference data and order book data).

Objectives and scope of this consultation

12. As stated above, the proliferation of L1 regulatory reporting regimes in silos has led to a parallel increase in reporting obligations, often specific to a particular asset class or instrument. This has resulted in overlaps in the scope and in fragmentation of regulatory reporting requirements.

13. Similarly, each reporting framework is subject to distinct approval and review timelines, creating additional implementation costs for both entities and authorities. This fragmentation hinders the identification of an optimal moment to undertake a review and streamline the various frameworks currently in force.

14. In this call for evidence, ESMA has identified a series of key issues related to multiple regulatory regimes with duplicative or inconsistent requirements. The description of these key challenges is detailed in Section 3 of this document. At the same time, ESMA has identified several options to simplify reporting. These options and the principles on which they are based are included in section 4. To facilitate understanding of the different issues, Section 5 incorporates a high-level impact analysis.

15. This call for evidence aims to identify major cost drivers stemming from regulatory reporting and how to best improve the overall framework. To complement the identification of key issues related to the overlap and fragmentation of regulatory transaction reporting requirements and the associated burden, it is essential for the respondents to this call for evidence to provide concrete inputs on the costs they face due to overlapping and scattered requirements. Additionally, ESMA seeks to gather feedback on the various alternative scenarios aimed at simplifying these requirements and associated costs.

16. Based on the feedback received, ESMA will produce a final report, at the beginning of 2026, which will outline the key areas to be covered by the simplification exercise and the preferred simplification option.

3 Key issues related to multiple regulatory regimes with duplicative or inconsistent requirements

17. In this call for evidence, we have identified the main challenges associated with overlapping or inconsistent requirements across major transaction reporting

frameworks. Below, we outline the most relevant issues highlighted by stakeholders so far.

Frequent regulatory changes and lack of flexibility to enable a phased implementation, synchronisation and coordination of the changes in the different reporting regimes.

18. Frequent regulatory changes and lack of synchronisation and coordination in the changes to reporting requirements create a high burden for stakeholders (for further details, refer to the background under Section 2 par 7). Constantly adapting to new regulations demands significant time and resources. A review and consolidation would most likely lead to less frequent changes.

Duplicative reporting of the same derivative instruments under MiFIR, EMIR, and REMIT

19. One of the key issues shared by market participants relates to the duplicative reporting of a subset of derivatives across multiple regimes. This redundancy creates unnecessary complexity. For example, transactions in ETD derivatives and in a significant part of OTC derivatives[23] are now reported under both EMIR and MiFIR regimes. Additional examples include duplications due to the inconsistent definitions of the scope of reporting under EMIR/MiFIR and REMIT (i.e. definitions have been aligned in L1 but not for the purpose of reporting[24] and, as a consequence, not in line with market practices[25]).

Different terminology and definitions within different reporting regimes

Different regimes often use different names for substantively the same concepts, creating difficulties for the implementation, interpretation and reconciliation. The absence of a centralised and standardised data dictionary prevents the resolution of such inconsistencies. For example, the definition of the entity submitting the report is not consistent, where EMIR uses "Report Submitting Entity ID," SFTR refers to "Report Submitting Entity," and MiFIR employs "Submitting Entity Identification Code,"

Requirements to report both transaction-level and position-level data under EMIR, SFTR, and MiFIR commodities position reporting.

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[23] This overlap includes for example derivatives executed on MTFs and OTFs, the ones subject to the clearing obligation listed in in Article 8a(2) of MiFIR and those where the underlying is traded on a trading venue.
[24] For example, MIC in venue field is required also for MTF, OTF and SI even if falling into OTC definition. Another example is the definition of “commodity derivative” under MiFIR and “wholesale energy product” under REMIT.
[25] Some listed derivatives in a non-European country may be considered OTC under EMIR because their CCP is not yet recognized. In counterparties systems they will nonetheless be treated as ETD.

20. Some stakeholders question the usefulness of trade level activity data for the purposes of risk monitoring, especially for ETD Derivatives, based on the fact that the risk is at position level. Other stakeholders note that the information received is broader with transaction level reporting as the scope is wider and the level of detail greater. In addition, for commodities derivatives, positions may be reported to the TRs under EMIR and to the NCAs under MiFIR[26].

Dual-sided reporting obligation under EMIR and SFTR

21. This requires both parties to the trade to report largely the same data. This duplication of effort is resource-intensive and can lead to additional burden due to the need to implement reconciliation mechanisms. This certainly has great advantages in terms of data quality, but in the context of this review, we need to assess whether this requirement, which is unique to the EU, is still appropriate[27] or whether improvements can be made to ensure the quality and scope of data reported, without the need for dual reporting.

Intragroup derivative reporting

22. Intragroup derivatives reporting under Article 9, paragraph 1, sub paragraph 3, of EMIR 3.0 introduces an obligation for Union parent undertakings of NFCs+ (i.e. non-financial counterparties above the clearing threshold) to report, on a weekly basis, the net aggregate positions by class of derivatives, where those NFCs+ benefit from the exemption from the reporting obligation. However, feedback from multiple NCAs points to difficulties in the creation and reporting of such information. This suggests that while the provision creates a theoretical burden of compliance, it fails to deliver tangible supervisory value in reality, raising questions about its necessity and enforceability.

Reference data reporting duplications

23. Some of the reference data that trading venues are required to report is originated by central securities depositories (CSD), this creates a duplicative obligation and gives rise to inconsistencies.

Different reporting channels across MiFIR, EMIR, SFTR, and REMIT.

24. Reporting under MiFIR, EMIR, SFTR and REMIT follows different reporting channels and logic. This creates inefficiencies, increases costs for market participants and

[26] Despite the fact that NCAs have full access to all trade repository data under EMIR.
[27] It is noted that while dual reporting is perceived as resource-intensive, a distinction may be drawn between the dual reporting obligation itself and the costs associated with inter-counterparty reconciliation processes, the latter having been encouraged to enhance data quality.

authorities, due to multiple and inconsistent systems, affecting in particular cross border firms.

25. For example, under MiFIR, investment firms and trading venues are required to submit detailed transaction reports to their NCAs, which are then forwarded to ESMA. On the other hand, under EMIR and SFTR transactions are reported to Trade Repositories[28], with broad access rights to the data for a wide range of stakeholders, including NCAs and ACER, and for REMIT transactions are reported to ACER.

Duplication of IT systems and processes

26. Having two reporting regimes to report ETDs and OTC Derivatives, means that both market participants and authorities need different IT systems to produce, process, validate and analyse the data for these reporting flows. Data quality must be reviewed independently, and efforts to improve that quality lack synergies between the two reporting frameworks. Additionally, there are ongoing IT costs associated with maintaining two parallel reporting frameworks, such as databases, data collection, storage, IT maintenance, support and training.

Q1. 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 9 sources of costs identified in this section and the ones that you may add, what are the three main cost drivers in your view?

4 Identification of simplification options

4.1 Key principles for all options

27. In parallel to the identification of the key issues related to multiple regulatory regimes ESMA has identified several options for the simplification of regulatory reporting. All these options are based on the following four principles:

    1. Preserve Information Scope[29].

[28] Under EMIR and SFTR, to streamline data access, authorities have agreed on a common querying mechanism managed by ESMA, enabling standardised data retrieval. However, despite this coordination, there is no single platform for analysing the aggregated data, posing challenges to achieving a fully integrated approach to market surveillance and analysis.

[29] Changes must not unduly restrict the information needed by authorities and other entities to perform their supervisory and other duties (e.g. EMIR data is also used for clearing obligation, margins, etc.). Gaps should be assessed and addressed, based on actual use of data (i.e. data that is costly to produce and not used should not be collected).

2. Decrease overlaps to reduce reporting burden.

3. Ensure global alignment.

4. Balance Cost and Benefit[30].

28. Regarding the balance of cost and benefit, it is worth mentioning that any of the options put forward is a change from *status quo* so it will imply costs:

- These costs of transitioning to the simplification option will need to be duly assessed. ESMA is not able to assess the costs market participants will sustain to adapt some existing IT system to transition to the simplification option, therefore specific questions on the transition cost have been included.

- Transition costs will then need to be weighed against the gains that the simplification option will bring once implemented. The more comprehensive the option the longer it will take to fully appreciate the gains so these will need to be evaluated over a long-term horizon.

- ESMA has attempted to calculate gains based on data available to us - see section 5- but inputs from respondents to this call for evidence are needed to properly assess the impact of the proposed changes.

Q2. Do stakeholders agree with the proposed principles and related description? Is there any other aspect/principle that should be considered?

4.2 Simplification options

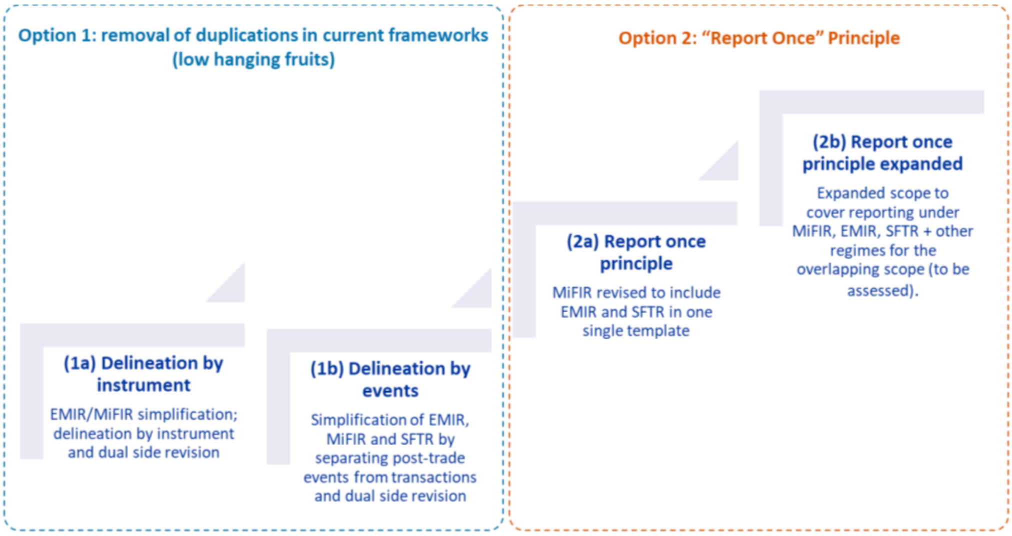
29. The number of options for simplification has been limited to two, with 2 sub-options, to grasp the stakeholder's sentiment in this phase of stock taking and data gathering. The two options and sub-options will allow the identification of additional relevant elements and feedback to be captured under each alternative. These options present different approaches to reduce or avoid the issues identified in section 3.

30. At this stage, ESMA is seeking input on what a realistic comprehensive review could look like and to collect evidence to assess its feasibility, only at a later stage will ESMA be able to assess and provide advice on changes needed in the legislative framework. The options are therefore presented at a high level. This approach will allow ESMA to

[30] The scope of collected data, impact, and costs of changes must align with key benefits (e.g. burden reduction, market discipline and facilitating & enabling supervision) while considering orderly phase-outs infrastructures, if needed, and proper and sustainable funding for centralised infrastructures.

identify the necessary changes in the relevant frameworks, e.g. relating to the delineation in scope of entities, instruments and type of transactions to be covered by the cross-sectorial revision. Respondents are also invited to propose additional options to those identified.

31. The two options consider incremental improvements in burden reduction and option 2 is built upon the proposals outlined in the preceding alternative. This approach ensures a comprehensive and cohesive progression towards the "*report once*" principle and it allows to properly assess the benefits that the incremental approach can bring, but also the complexity and costs that it would entail.



SIMPLIFICATION OPTIONS

Option 1: Removal of duplication in current frameworks

32. This option presents an approach based on the elimination of duplications in the scope of the reporting requirements without directly changing the legal set up for the current reporting channels and the relevant infrastructures to collect the data. It effectively removes some of the most notable overlaps within the scope of EMIR and MiFIR (with possibilities to expand to REMIT and MiFID). If the necessary L1 changes to implement the option are considered by the relevant EU bodies and without prejudice to the L1 negotiation timelines, which are aspects beyond ESMA control, the implementation of this option could be carried out in the medium term, approximately up to five years. Within Option 1, there are two mutually exclusive sub-options:

33. **Option 1a:** This sub-option proposes a **delineation of reporting scope based on the type of trading of the instrument**, splitting the reporting between ETD (exchange-traded derivatives) and OTC (over-the-counter) derivatives.

34. **Option 1b:** This sub-option suggests a **delineation of reporting scope based on events** (i.e. transactions *versus* post-trading reporting).

35. Both sub-options would **review the dual-sided reporting requirements** currently present in EMIR (possible also under SFTR).

Option 1a: Delineation by instrument

36. Option 1a) proposes a delineation based on the instrument. In this scenario, MiFIR would exclusively cover the reporting of ETD transactions, the concept of ETD is based on the EMIR definition and covers all derivatives executed on Regulated Markets (for more information on the definition of ETD/OTC in EMIR, see Section 2). It is important to highlight that the EU[31] is the only jurisdiction that requires ETD reporting to trade repositories. While OTC derivatives transactions and linked post-trade events would be reported to trade repositories under EMIR. Possible inconsistencies in the definitions would also be solved, the introduction of a data dictionary for this purpose would be considered.

Description	EMIR/MiFIR delineation by instrument and dual sided revision
Key components	Delineation in terms of **instruments:** 1. MiFIR: ETD (Transactions). 2. EMIR: OTC (including Post-trade events and transactions). 3. ETD Post-trade events. i.e. valuation/margins will need to be sourced from the CCPs and ETD and OTC positions to be calculated based on transaction data. 4. Revision of dual sided reporting in accordance with global alignment principle.
L1 Regulation in scope	MIFIR, EMIR

[31] ETDs are also subject to reporting under the UK EMIR as the requirement did not change post-Brexit.

PROS	↗ Immediate reduction of reporting burden for market participants due to removed overlapping reporting obligations and dual-sided reporting. ↗ Lower costs in the short term compared to other options given no fundamental changes to reporting infrastructures. ↗ Global alignment.
CONS	↘ Limited review. Continue to have multiple derivatives reporting regimes in place. ↘ The reduction in costs in the long term is not as significant as in the other options. ↘ Information scope principle triggers the need to adapt EMIR template to cover data points relevant for market abuse surveillance, based on data use e.g. as a minimum the identifiers for the person making the investment/execution decision, buyer/sellers that are natural persons and, possibly, the ultimate client/beneficiary. ↘ Additional data points relevant for market abuse surveillance in EMIR creates costs that should be considered as part of the transition costs. ↘ Additional complexity to monitor systemic risks to financial stability. ↘ Dual-side reporting removal may require other supervisory measures, e.g. auditing measures.

Q3. What are the key advantages of Option 1a and how do these benefits address the issues in section 3?

Q4. 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?

Q5. 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?

Option 1b: Delineation by events

37. Option 1b proposes a delineation based on the events. In this scenario, MiFIR would cover both ETD and OTC transaction reporting while EMIR would retain all post trade events. In addition, it proposes to integrate SFTR under MiFIR and EMIR.

Description	EMIR/MiFIR/SFTR delineation by event and dual sided revision
Key components	Delineation in terms of **events**: 1. MiFIR: Transactions (OTC and ETD). 2. EMIR: Post-trade events of derivatives (OTC and ETD), that would not fall under MiFIR (update of end-of day positions[32], including post-trade novations, risk reduction measures, margins and valuations). 3. SFTR to be integrated under MiFIR and EMIR (for post-trade events). Revision of dual sided reporting in accordance with global alignment principle.
L1 Regulation in scope	MiFIR, EMIR, SFTR
PROS	↗ Reduction of reporting burden for market participants due to removed overlapping reporting obligations. ↗ Lower costs in the short term compared to other options given no fundamental changes to reporting channels.
CONS	↘ Implementation cost higher than option 1a. ↘ The reduction in costs in the long term is not as big as under option 2. ↘ Difficulty to monitor the integrity of the EMIR data[33]. ↘ Limited reporting under EMIR/SFTR, which calls into question the whole reporting flow. ↘ Data gaps may arise for derivatives transactions between non-financial entities. ↘ Dual-side reporting removal may require other supervisory measures, e.g. auditing measures.

Q6. What are the key advantages of Option 1b and how do these benefits address the issues in section 3?

Q7. What are the key limitations and potential risks of Option 1b?

[32] EOD position reporting would work differently due to the different nature of ETDs compared to OTC derivatives but the expectation under this option is to keep all post-trade events out of MiFIR, i.e. EOD reporting and computation of a trade state report for all outstanding derivatives remains under EMIR.

[33] Position level reporting could reduce the transparency in securities and derivatives markets and could hamper regulators' understanding of market dynamics during times of crisis. For example, if margin requirements were to spike, position level reporting would not allow authorities to determine the underlying cause, i.e. whether such a change in collateral requirements was due to changes in outstanding trades or due to market dynamics. In addition, granular reporting is required to allow regulators to determine whether market participants satisfy certain regulatory requirements, e.g. the active account requirement under EMIR.

Q8. 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?

Option 2: Report once principle

38. Option 2 focuses on the implementation of the "report once" principle. This involves creating a unified template for reporting information that was previously distributed across various regimes. If the necessary L1 changes to implement the option are considered by the relevant EU bodies and without prejudice to the L1 negotiation timelines, which are aspects beyond ESMA control, the greater complexity of this option entails a longer implementation period, thus a timeline of approximately 5 to 7 years is estimated. This option also presents two mutually exclusive incremental sub-options:

39. **Option 2a** where the "report once" principle is applied in full to both MiFIR, EMIR and SFTR.

40. **Option 2b** with a more comprehensive option where, in addition to MiFIR, EMIR and SFTR, other regimes are also included.

Option 2a: Report once principle: MiFIR, SFTR and EMIR.

41. This option is the first step in the implementation of the “report once” principle, under which all instruments currently in scope of EMIR, SFTR and MiFIR are integrated under a single template to be used for such reporting, and the related Level 1 legal texts would be harmonised/merged accordingly.

42. By way of example, one way of implementing this option could be to use MiFIR as a basis for reporting due to: a) the significant larger scope of instruments covered (beyond derivatives); b) its granularity; c) level of sophistication; and d) greater possibility to streamline and potentially centralise the reporting flows, given that the report goes directly to competent authorities.

43. Potential gaps in MiFIR will need to be assessed should this option be considered to ensure compliance with the principle of preserving “information scope”.

44. Under this option, in order to ensure the compliance with the “information scope” principle, all authorities currently accessing derivatives transactions in EMIR, would need to be given access to the same information.

Description	MiFIR/EMIR/SFTR full integration
Key components	1. "Report once" principle applied in full for instruments in scope of EMIR, SFTR and MiFIR. 2. MiFIR is expanded and adapted to also cover EMIR and SFTR requirements for derivative reporting (including EMIR/SFTR post-trade events). 3. Reporting is one sided and performed by financial entities and CCPs. 4. Positions are no longer reported but calculated from transaction-level information.
L1 Regulation in scope	MIFIR, EMIR, SFTR
PROS	↗ Considerable reduction of reporting burden for market participants. ↗ Simplification of derivatives reporting rules for entities. ↗ Streamlined data access and sharing. ↗ Enhanced integration of analytical and risk monitoring activities. ↗ Targeted review focusing on the most-costly reporting regimes.
CONS	↘ Implementation cost can be high and is higher than in options 1a and 1b. ↘ Data gaps may arise for derivatives transactions between non-financial entities. ↘ Dual-side reporting removal may require other supervisory measures, e.g. audits.

Q9. What are the key advantages of Option 2a and how do these benefits address the issues in section 3?

Q10. What are the key limitations and potential risks of Option 2a?

Q11. 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?

Option 2b: Report once principle expanded

45. This option represents the highest level of ambition regarding the application of the "report once" principle. In addition to EMIR, MiFIR and SFTR, it includes other regulations with overlapping reporting requirements that could possibly be evaluated e.g. Solvency II or REMIT for the scope related to derivative transactions.

46. In this option, considerations of the cost-benefit balance are of utmost importance, as the potential long-term advantages must outweigh the significant complexities associated with this option and related implementation costs.

47. Furthermore, the higher complexity would lead to longer implementation and is more prone to errors that would require adjustments, thus limiting the overall benefits.

Description	**MiFIR / EMIR / SFTR + other regimes to be assessed**
Key components	1. "Report once" principle applied in full for MiFIR, EMIR, SFTR. 2. Additional L1 in scope outside ESMA remit to be assessed (e.g. REMIT, Solvency II)[34]. 3. A single transaction reporting template is developed to cover overlapping reporting scopes under the selected frameworks.
L1 Regulation in scope	Transaction reporting under MIFIR, EMIR, SFTR and other identified overlapping requirements across sectors (e.g. REMIT).
PROS	↗ The highest reduction of reporting burden for market participants due to removed overlapping and/or inconsistent reporting obligations. ↗ Report once principle applied in full. ↗ Simplification of reporting rules for entities. ↗ Streamlining data access and data sharing. ↗ Enhanced integration of analytical and risk monitoring activities for a wider set of authorities than in option 2a.
CONS	↘ Very complex. ↘ Longer implementation time. ↘ Subject to more regular reviews linked to the underlying wider set of legislations. ↘ The highest implementation cost. ↘ Significant number of authorities affected. ↘ Very different purposes of the regimes. ↘ Difference in the instruments subject to the common reporting. ↘ Dual-side reporting removal may require other supervisory measures. e.g. audits. ↘ Information scope principle more at risk (due to the multiple regulations in scope and linked technical complexity).

[34] Existence of close or overlapping requirements from other regulators whereas prudential European ones or non-European ones could also be a source of reporting burden by imposing distinct reporting channels and compliance checks on similar data or information.

Q12. 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?

Q13. What are the key limitations and potential risks of Option 2b?

Q14. 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?

Option prioritisation

Q15. 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?

Q16. 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?

Additional cost reduction considerations

48. All options, and in particular option 2, whether referring to sub-option 2a or 2b, in applying the "report once" principle represent a fundamental change in the current implementation, not only in terms of scope but potentially in terms of reporting channels.

49. Given these significant changes, other considerations regarding the reporting flow, centralisation of these flows, associated technology, and the funding model are relevant, particularly:

Q17. 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?

Q18. 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?

Q19. 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?**

Q20. 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 aspect, technical implementation, etc.)

50. There could also be other ways to address the "report once" principle from a technological perspective. With reference to level 3 (end to end reporting system) or 4 (end to end trading system) as described in the COM published PoC on "Assessing the feasibility of machine-readable and executable reporting for EMIR"[35] and ESMA studies on reporting under the DLT Pilot regime[36] the use of DLT (or comparable technologies) to provide "reports" could be envisaged and further explored.

Q21. Do you consider that other technologies (e.g. DLT and smart contracts) should be considered as a way to simplify the reporting process?

51. For all scenarios, the revision of dual-sided reporting requirements under EMIR is proposed.

Q22. 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?

52. For all scenarios, an additional measure would be the modification of the reporting frequency (for example, avoiding the daily reporting of certain fields) based on the criticality and demonstrated use of data by authorities

Q23. 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?

[35] MRER proof of concept - Publications Office of the EU. Especially in chapters 5.4.1 and 5.4.2 on page 43ff.
[36] Study on how financial instrument transactions are registered in various Distributed Ledger Technologies and how transaction data can be extracted from DLT: 1) https://www.esma.europa.eu/sites/default/files/2023-10/ESMA12-2121844265-3183_Report_on_the_DLT_Pilot_Regime_Study_on_transaction_reporting_based_on_RTS_22.pdf and 2) https://www.esma.europa.eu/document/report-dlt-pilot-regime-study-extraction-transaction-data. Especially chapters referring to improving regulatory reporting based on smart contract standardisation.

Q24. 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?

5 High-level impact analysis based on available data

53. This section provides a high-level impact analysis, encompassing the identification of key figures and estimates associated with reporting under EMIR and MiFIR. These estimates allow for the quantification of some known overlaps and understanding the implications in terms of reducing the reporting burden that could be achieved by pursuing some of the identified options.

54. In line with the Commission's objective of reducing the reporting burden by 25% for all companies and by 35% for SMEs, the primary objective of this call for evidence is to develop proposals for cost-effective approaches to financial supervisory data reporting frameworks. To achieve this, ESMA needs to assess where the major duplications are and then properly weigh the expected gains stemming from each of the options against the costs.

5.1 Overlap assessment (order of magnitude)

55. All sub-options considered in this call for evidence cover transactions in derivatives instruments reported under MiFIR and EMIR. Therefore, as a starting point, ESMA has evaluated the order of magnitude of the current overlap among MiFIR and EMIR. To this purpose, it has estimated the number of transactions that have been reported under both EMIR and MIFIR over a 6-month period. The period selected was the second half of 2024, two months after the start of reporting under the revised templates under EMIR Refit[37].

56. The overall scope of MiFIR transactions covered by this preliminary analysis was the transactions reported under MiFIR in instruments that were classified as derivative based on the CFI instrument classification reported[38].

57. In addition to those, ESMA considered the additional transactions in derivative instruments that are expected to be covered by the extended scope of MiFIR following

[37] Using EMIR refit data provided ESMA a better understanding of the number of transactions executed on Systematic Internalisers due to the requirement to report the standard market identifier code (MIC) of these entities under the new rules.
[38] CFI reported in field 43 RTS 22 or whose ISINs were classified as derivatives according to ESMA FIRDS CFI validations.

the review, which amounted to **1.2 million** additional transactions. These are the transactions executed outside a trading venue that meet the conditions of the revised Article 8(a) of MiFIR:

- Currencies must be EUR, USD, JPY and GBP (according to notional currency 1).
- For Credit Default Swap: Tenor 5y, Series 17 onwards, only both relevant indices, settlement currency 1 equals EUR.
- For Interest Rates Derivatives: Tenor 1y,2y,3y,5y,7y,10y,12y,15y,20y,25y,30y.

58. The overall number of transactions found in MiFIR and EMIR applying the above-mentioned conditions amounted to **716 million** transactions. Out of a total of 2.3 billion transactions in EMIR[39], **this represents a substantial part (approximately one-third) of the transactions reported under EMIR Refit over the 6 months period.**

5.2 Dual sided reporting

59. As all of the sub-options presented in this Call for Evidence include a proposal to review the dual-sided reporting obligation under EMIR, ESMA has conducted some analysis to assess the effectiveness of this obligation based on pairing and matching rates. From the available information, the pairing and matching rates have exhibited important fluctuation, however there is an important share of derivatives with dual-sided reporting obligation, for which one side is missing, currently the percentage is around 5 %, but in the second half of 2024, it reached double digit %. This applies to both the new and position components. The removal of the dual-sided reporting will per se be an important simplification for both entities, but also authorities, which otherwise need to follow up with the misreporting entities.

60. Using again the second half of 2024 as the reference period, ESMA estimates that approximately one-third of the total reported transactions under EMIR would be subject to dual-sided reporting obligations.

[39] Transactions reported under EMIR as NEW or POSition components.

Q25. 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?

Q26. 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?

Q27. 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?

Q28. 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?

Q29. 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?

Q30. 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?

6 Annexes

6.1 Annex I – Summary of questions

Q1. 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?

Q2. Do stakeholders agree with the proposed principles and related description? Is there any other aspect/principle that should be considered?

Q3. What are the key advantages of option 1a and how do these benefits address the issues in section 3?

Q4. 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?

Q5. 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?

Q6. What are the key advantages of option 1b and how do these benefits address the issues in section 3?

Q7. What are the key limitations and potential risks of option 1b?

Q8. 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?

Q9. What are the key advantages of option 2a and how do these benefits address the issues in section 3?

Q10. What are the key limitations and potential risks of option 2a?

Q11. 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?

Q12. 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?

Q13. What are the key limitations and potential risks of option 2b?

Q14. 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?

Q15. 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?

Q16. 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?

Q17. 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?

Q18. 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?

Q19. 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?

Q20. 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 aspect, technical implementation, etc.)

Q21. Do you consider that other technologies (e.g. DLT and Smart Contracts) should be considered as a way to simplify the reporting process?

Q22. 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?

Q23. 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?

Q24. 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?

Q25. 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?

Q26. 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?

Q27. 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?

Q28. 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?

Q29. 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?

Q30. 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?