

Interim Report

On the Call for Evidence on a comprehensive approach for the simplification of financial transaction reporting



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1 Executive Summary

Reasons for publication

On 23 June 2025, ESMA launched a Call for Evidence (CfE) on a comprehensive approach for the simplification of financial transaction reporting. It sought input to identify major cost drivers and collect views on how best to work towards a comprehensive review for the simplification of financial transaction reporting.

This Interim Report provides a summary of the feedback received during the consultation process. Serving as an intermediate milestone, it precedes the formulation and publication of final recommendations for policymakers, which will be detailed in the forthcoming Final Report. The publication of this Interim Report aims to offer stakeholders and interested parties clear insights into the nature of the responses received and to highlight the principal elements identified during the consultation

Contents

ESMA has validated that the main issues identified in the CfE correctly reflect the current landscape (Section 3) and also confirmed broad support for the core principles guiding simplification measures, especially those related to preserving information scope and making cost-benefit-based decisions. Section 4 reviews stakeholder input on the two simplification options initially outlined in the CfE. In light of feedback received ESMA has considered that only Scenario 1a (delineation by type of instrument) and Scenario 2a (“report once” model) deserves further assessment, as negligible support was found for Options 1b and 2b. Additionally, Section 4.8 considers supplementary measures to reduce the reporting burden as intermediate steps to be implemented in the medium term; Section 5 addresses the review of reporting channels (mainly linked to Option 2, where responses expressed a support for a reduction of reporting channels), and outlines further measures such as alternative technologies, reduced reporting frequency, and proportionality. It also reviews dual reporting obligations, identified as a major cost for most stakeholders. Section 6 provides a high-level qualitative overview of the costs and benefits associated with the proposed simplification measures.

It should be noted that, in line with the suggestion to base recommendations on a thorough assessment, the Final Report will offer a detailed cost-benefit analysis (CBA) developed by an independent consultancy agency. This comprehensive assessment will underpin the recommendations made to policymakers, ensuring that any proposed changes are informed by an exhaustive evaluation of both the financial and operational implications for stakeholders.

Next steps

Following the publication of this Interim Report on its website, ESMA will submit its Final Report to the European Commission and make it public by July 2026. The Final Report will include recommendations and a CBA.

Acronyms used

ACER	Agency for the Cooperation of Energy Regulators
APA	Approved Publication Arrangement
ARM	Approved Reporting Mechanism
CCP	Central Counterparty
CfE	Call for Evidence
CSD	Central Securities Depository
DLT	Distributed Ledger Technology
DRSP	Data Reporting Service Provider
EC	European Commission
ESAs	European Supervisory Authorities
ESRB	European Systemic Risk Board
ESMA	European Securities and Markets Authority
ETD	Exchange-Traded Derivative
EU	European Union
ISIN	International Securities Identification Number
MIC	Market Identifier Code
MTF	Multilateral Trading Facility
NCA	National Competent Authority
NFC	Non-Financial Counterparty
OIS	Overnight Index Swap
OTC	Over-The-Counter
PoC	Proof of Concept
RTS	Regulatory Technical Standard
SME	Small and Medium Enterprise
TR	Trade Repository
AIFMD	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010
EMIR	Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories

MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation)
MiFID II	Directive 2014/65/EU of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU
MiFIR	Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments and amending Regulation (EU) No 648/2012
MMSR	Regulation (EU) No 1333/2014 of the European Central Bank of 26 November 2014 concerning statistics on the money markets (ECB/2014/48)
REMIT	Regulation (EU) No 1227/2011 of the European Parliament and of the Council of 25 October 2011 on wholesale energy market integrity and transparency
SECR	Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012
SFTR	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012
UCITSD	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities

2 Introduction

1. Regulatory reporting remains a cornerstone in the oversight and supervision of financial markets throughout the European Union. Over recent years, however, the proliferation of overlapping and sometimes inconsistent reporting requirements under multiple frameworks, including MiFIR, EMIR, and SFTR, has increased the operational burden for market participants and created challenges for national competent authorities in consolidating and analysing data effectively. These challenges underscore the importance of a unified strategy aimed at simplifying, harmonising, and streamlining transaction reporting.
2. In June 2025, ESMA launched a CfE on a Comprehensive Approach for the Simplification of Financial Transaction Reporting¹. The CfE aimed to identify ways to simplify and harmonise reporting, reduce costs, and gather insights on the main operational drivers of complexity. It also offered a timely window² to update the assessment of reporting costs with a view to address inefficiencies and promote a more coherent and streamlined reporting landscape.
3. Aligned with the European Commission's Supervisory Data Strategy³, the CfE also responded to ESMA's mandate under the revised MiFIR⁴ framework to evaluate the potential for deeper integration in transaction reporting. This included efforts to streamline data flows and eliminate redundant or inconsistent requirements across MiFIR, EMIR, and SFTR. Although the core proposals focused on derivatives transactions, incremental Options were outlined with increasingly broader scope.
4. To support stakeholders' understanding of the CfE, ESMA conducted an extensive outreach campaign during the consultation period. In this context, ESMA held more than 14 meetings with over 25 stakeholders, many of whom were industry associations representing a broad range of members and sectors. In the same spirit of engagement and transparency, on 2 December 2025, ESMA hosted its first Data Day event⁵, which, although not exclusively focused on the CfE, addressed several of the proposals included in the consultation under the theme "Burden reduction in the digitalisation era."
5. The CfE has attracted widespread support from industry, associations, and various authorities, as evidenced by the remarkable participation⁶. With 108 responses submitted to the consultation, this robust engagement not only reflects the industry's recognition of

¹ ESMA. Call for evidence on a comprehensive approach for the simplification of financial transaction reporting (23 June 2025): www.esma.europa.eu/press-news/consultations/call-evidence-comprehensive-approach-simplification-financial-transaction

² There are multiple ongoing initiatives focused on simplification and burden reduction, among others: European Commission. A Competitiveness Compass for the EU (29 January 2025): https://commission.europa.eu/document/download/10017eb1-4722-4333-add2-e0ed18105a34_en or European Commission. Omnibus package (1 April 2025): https://finance.ec.europa.eu/news/omnibus-package-2025-04-01_en

³ European Commission. Strategy on supervisory data in EU financial services (15 December 2021): https://finance.ec.europa.eu/publications/strategy-supervisory-data-eu-financial-services_en

⁴ This mandate is included in Article 26(11) of MiFIR.

⁵ ESMA. Data Day: Burden Reduction in the Digitalisation Era (2 December 2025): www.esma.europa.eu/press-news/hearings/data-day-burden-reduction-digitalisation-era

⁶ Public responses can be found on ESMA's website: www.esma.europa.eu/press-news/consultations/call-evidence-comprehensive-approach-simplification-financial-transaction#responses

the importance of reporting simplification but also illustrates stakeholders' proactive stance in shaping the future of transaction reporting frameworks. The wide-ranging representation among respondents ensures that the conclusions drawn are both comprehensive and reflective of the diverse needs and perspectives of all relevant sectors.

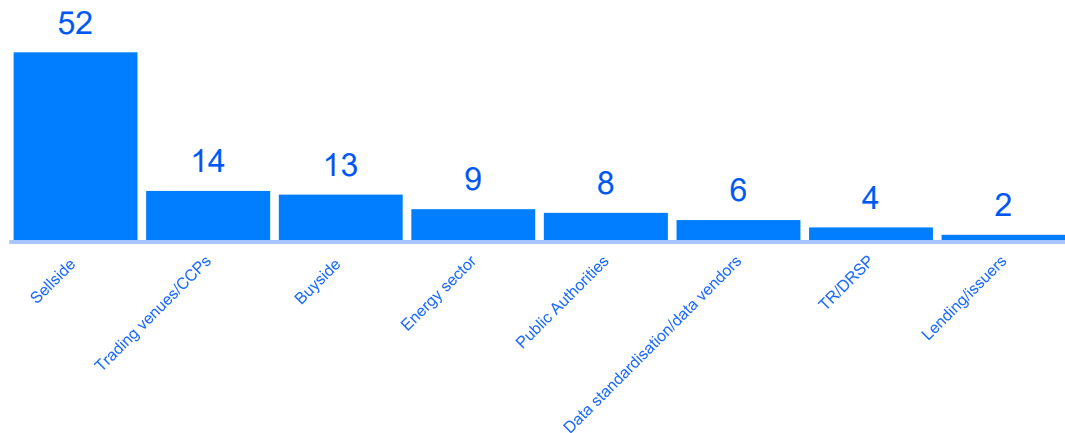


FIGURE 1 NUMBER OF RESPONSES TO THE CONSULTATION

Structure of the report

6. This report, grouped into different Sections, provides visibility into the responses collected. Where deemed necessary, ESMA has structured the feedback by sector, also seeking to organise the various perspectives and views of different stakeholder groups.
7. At the same time, in each Section, ESMA briefly outlines the main takeaways derived from the responses received and the next steps associated with them, focusing primarily on the extent to which the feedback enables the establishment of clear conclusions, whether these point to consensus for adoption, for exclusion, or indicate that certain elements should be considered for further analysis in the CBA.
8. The Interim Report is organised according to the sequence of questions set out in the CfE. It describes the challenges observed in current financial transaction reporting arrangements, outlines principles used in formulating potential Options, evaluates these Options, and examines additional measures that may assist with reducing burdens for scoped entities/market participants. Such measures include possible changes to reporting channels, application of alternative technologies, and modifications to the frequency of reporting.

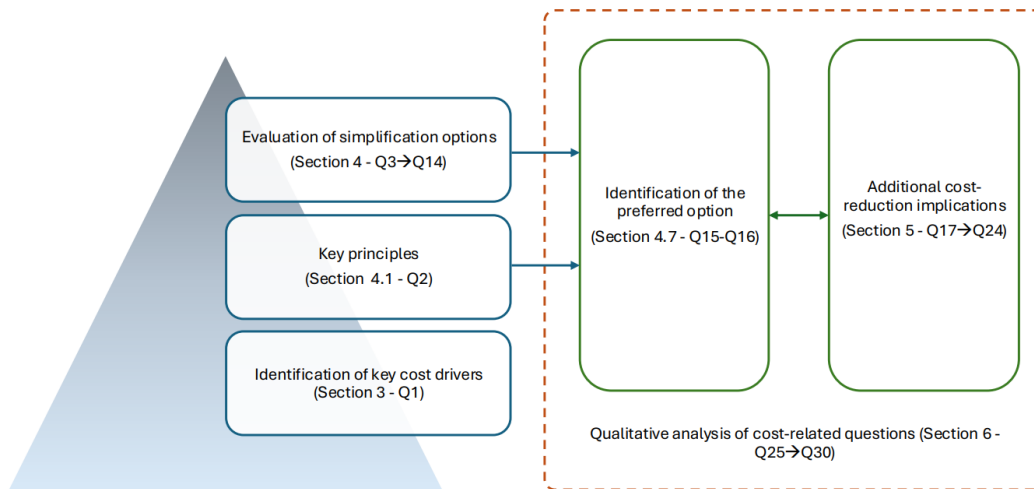


FIGURE 2 STRUCTURE OF THE INTERIM REPORT

Key outcomes

9. Stakeholder feedback validates both the identification of the main cost drivers in transaction reporting and the prioritisation of the principles that should guide its future revision. In addition, respondents emphasised the need to strengthen regulatory flexibility at Levels 2 and 3 to ensure a more adaptive and forward-looking reporting framework.
10. With regard to the different scenarios, the responses to the consultation also enabled a clear exclusion of Scenario 1b (event based delineation) and Scenario 2b (expanded “report once”) from further considerations, given that both received little to no support. Feedback further helped refine Scenario 1a (instrument based delineation), clarifying the key elements that require deeper assessment. Stakeholders generally view Scenario 1a as an option with limited structural impact but with relatively lower implementation costs and shorter timelines, potentially serving as a phased pathway toward Scenario 2a. In the longer term, Scenario 2a emerged as the preferred option, with stakeholders also flagging stronger potential for simplification and rationalisation of reporting channels.
11. Stakeholders stressed the need to intensify efforts to reduce the burden associated with dual sided reporting, not only under EMIR but also under SFTR, while preserving the information scope principle.
12. Finally, the feedback received emphasised that simplification efforts should maintain supervisory capabilities, preserve data quality, and ensure alignment with international standards. Stakeholders also welcomed the pause in the imminent developments under

MiFIR (transaction⁷ and reference data⁸). Furthermore, this pause has helped to prevent the introduction of incremental changes during the ongoing revision process, thereby ensuring that any future modifications are better informed, strategically coordinated, and less likely to result in fragmented or inconsistent reporting requirements.

Next steps

13. ESMA sought to ensure transparency throughout the consultation process and in the next steps and timeline. For this reason, ESMA considered it relevant to publish this Interim Report, which focuses on a factual presentation of the responses received to the 30 questions included in the CfE.
14. It should be noted that this report does not provide a detailed quantitative assessment of the costs and benefits associated with the various options and proposals. The information presented in this regard is at a high-level and relies on the responses to the cost-related questions in the CfE (Q25-30). Consistent with the guiding principles outlined in the CfE, multiple stakeholders have stressed the importance of making decisions founded on a thorough and robust CBA. Accordingly, ESMA has engaged an independent entity to conduct an extensive CBA⁹. A total of 30 entities across four sectors, buy side, market infrastructure, non-financial corporates, and sell side, have voluntarily participated in the CBA process¹⁰. In parallel, ESMA will also assess on the basis of inputs from NCAs and European authorities the impact for the public sector.
15. The development of both CBAs is currently underway and will be incorporated into the Final Report, which is anticipated for publication by July 2026.

⁷ ESMA. Final Report on RTS 22 on transaction data reporting under Art. 26 and RTS 24 on order book data to be maintained under Art. 25 of MiFIR (23 June 2025): www.esma.europa.eu/sites/default/files/2025-06/ESMA12-2121844265-4779_Final_Report_on_RTS_22_and_24.pdf

⁸ ESMA. Final Report on RTS 23 on supply of reference data (23 June 2025): www.esma.europa.eu/sites/default/files/2025-06/ESMA12-2121844265-384_Final_Report_on_RTS_23_on_reference_data.pdf

⁹ The CBA will follow a three-phases methodology. Phase 1 focuses on selecting and onboarding stakeholders, analysing the information available, and developing a clear understanding of the relevant scenarios. Phase 2 encompasses the execution of the CBA and the preliminary assessment of the results. Phase 3 involves the in-depth analysis of the findings and the preparation of the Final Report.

¹⁰ It is important to highlight that the selection of stakeholders participating in the CBA was designed to ensure a balanced representation of the different sectors that contributed to the CfE responses, while also addressing the few identified gaps, particularly those concerning the non-financial corporates sector, through a limited yet comprehensive approach consistent with the overall burden-reduction objectives. The selection was done by ESMA in coordination with NCAs and was based on a combination of quantitative and qualitative criteria.



FIGURE 3 TIMELINE AND NEXT STEPS

3 Identification of key current challenges

3.1 Background

16. In the CfE, ESMA outlined the main challenges and issues identified by stakeholders to date, focusing on nine sources of duplication and reporting burden stemming from overlapping or inconsistent requirements across major transaction reporting frameworks.

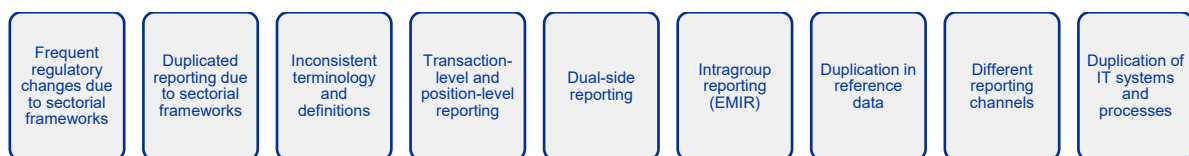


FIGURE 4 IDENTIFIED ISSUES AND SOURCES OF COST

17. The purpose of the CfE was not only to validate whether ESMA’s initial mapping of issues accurately reflected the experiences of stakeholders, but also to gather additional insights. Stakeholders were invited to identify any further challenges not previously captured and to rank them according to their perceived impact, particularly in terms of the costs they generate.

18. A comprehensive mapping and prioritisation of these challenges is essential to move forward with the development of meaningful simplification options. These options should aim to eliminate or significantly mitigate the identified inefficiencies, paving the way for a more coherent and cost-effective reporting framework across the EU.

3.2 Feedback to the CfE (Q1)

3.2.1 Alignment with identified challenges and additional regulatory issues

19. Respondents generally agreed with the main challenges identified in the CfE, while many highlighted that the current framework is overly complex and costly, and welcomed the opportunity for simplification.
20. Several respondents stressed additional concerns. One respondent noted issues with inconsistent use of identifiers and templates across regimes. Divergent data quality controls across ESMA and NCAs were also mentioned. Another respondent also warned that the upcoming EMIR Refit requirements appear contradictory to the simplification effort. Few other respondents highlighted unnecessary settlement fail reporting under SFTR, despite having this scope covered under the CSDR.
21. Additional issues raised include the level of granularity of identifiers mandated to identify derivatives, concerns about trading venues having to collect sensitive information from non-MiFIR clients, the abolition of intragroup reporting under EMIR, the necessity to simplify back-reporting, the inconsistent interpretation of reporting obligations among NCAs and the limited data sharing across regimes and authorities.

3.2.2 Key cost drivers highlighted by stakeholders

22. A large number of respondents emphasised frequent and unsynchronised regulatory changes as a major cost driver, leading to constant IT adjustments and compliance reviews. They suggested fixed implementation cycles and minimum lead times to mitigate this burden for reporting entities.
23. Many respondents also underlined the costs of duplicative reporting, particularly the overlap between EMIR and MiFIR reporting requirements. The dual-sided reporting obligation under EMIR was highlighted as highly burdensome. Both counterparties must report largely the same data and often do not coordinate on reported values, leading to mismatches that must subsequently be investigated by the relevant NCA. In other cases, the agreement on the data to be reported only occurs once mismatches are identified after trade execution and the correction does not necessarily reflect the economic reality. Although dual-sided reporting is widely seen as resource-intensive, some respondents, mainly from the public sector as well as two reporting infrastructures and one regional association of banks, still viewed it as essential for maintaining data quality.
24. Multiple reporting channels and fragmented IT systems were also cited as increasing costs. Respondents explained that firms need to maintain multiple parallel infrastructures for EMIR, MiFIR, and SFTR, leading to operational costs. This fragmentation also impacts smaller firms, which may be forced to outsource reporting or withdraw from certain activities.

3.3 Key takeaways and next steps

25. Based on the comprehensive feedback received, there is a clear and widespread agreement across respondents regarding the main cost drivers identified in ESMA analysis. This consensus reinforces the accuracy and relevance of the cost lines highlighted, as stakeholders consistently cited these factors as the most significant sources of operational and financial burden. Furthermore, the assumptions and priorities considered when drafting ESMA’s proposal remains robust and well-founded¹¹.
26. Industry respondents raised several extra cost drivers, such as the granularity of derivatives identifiers, and inconsistent data controls. ESMA will consider these issues as a next step as they do not require specific Level 1 legislative changes. As a first step, ESMA is tasked to identify the essential Level 1 amendments, with more detailed concerns to be considered in future phases.

4 Identification of simplification options

4.1 Key principles for all options

4.1.1 CfE key principles for the identification of simplification options

27. As part of the CfE, **four core principles** were presented to guide the identification and design the four simplification options for transaction reporting, namely Options 1a, 1b, 2a and 2b.



FIGURE 5 CfE KEY PRINCIPLES FOR THE IDENTIFICATION OF SIMPLIFICATION OPTIONS

Preserve information scope

28. The first principle emphasised the importance of preserving the **scope of information** required by authorities and other entities to fulfil their supervisory and non-supervisory responsibilities. The focus was on preserving meaningful and relevant information, rather than rigidly protecting specific data fields. Any future changes should ensure that

¹¹ ESMA. Section 4.1 Key principles for all Options. Call for evidence on a comprehensive approach for the simplification of financial transaction reporting (23 June 2025); www.esma.europa.eu/press-news/consultations/call-evidence-comprehensive-approach-simplification-financial-transaction

information continues to reach the appropriate users, even if reporting flows are restructured.

Decrease overlaps

29. The second principle targeted the **elimination of overlapping requirements**, which are a clear and immediate source of cost and administrative burden. These overlaps, already outlined at a high-level in the CfE, are central to the simplification strategy and are reflected in the design of the proposed options.

Ensure global alignment

30. The third principle called for **alignment with global standards**, such as the use of globally recognised identifiers (e.g. the Legal Entity Identifier). This alignment is seen as a means to reduce duplication, ease implementation, and enhance interoperability. It can also deliver a dual benefit, as it typically relies on central databases or golden sources, which help minimise the number of data points that need to be reported.

Balance cost and benefits

31. Finally, the last principle was the evaluation of options in light of a **thorough CBA**, not only to define the simplification options but also to evaluate their effectiveness. This principle underpins the entire initiative, with special attention given to transition costs and the potential for long-term savings. A detailed CBA will be also provided in the dedicated Section of the Final Report.

32. The CfE aimed to confirm stakeholder agreement with the aforementioned principles, while also exploring whether any additional aspects or guiding principles should be considered. Reaching consensus on these principles was instrumental in identifying priority areas, clarifying what should be implemented, and recognising elements that should be avoided.

4.1.2 Revised key principles for the identification of simplification options following the CfE (Q2)

Preserve information value

33. In relation to the first principle, a large majority of respondents agreed that it should not mean retaining every existing data field. Instead, stakeholders encouraged ESMA and NCAs to critically assess which data fields are genuinely needed for supervisory purposes, focusing on those that provide clear value. Many highlighted that the objectives of supervisory reporting are often unclear and called for greater transparency about how collected data is used.

34. Public authorities noted that any reduction in data collection would be carefully evaluated by all relevant authorities to ensure that the systemic risk monitoring is not undermined. Additionally, some industry voices stressed that simplification efforts should also account

for the statistical value of data, ensuring changes do not inadvertently hinder the production of official statistics.

Decrease overlaps

35. Regarding the second principle, respondents broadly agreed that reducing overlaps between reporting regimes is essential to lowering reporting burden. Stakeholders consistently highlighted that overlap is not only a function of multiple reporting obligations, but also of insufficient coordination and data sharing between supervisory, statistical and resolution authorities. Enhancing existing coordination mechanisms and expanding data sharing across authorities were therefore seen as key enablers of burden reduction without loss of supervisory insight.
36. Many respondents stressed that overlap could be reduced by enabling market participants to submit data through **a single reporting gateway**, with authorities reusing the data for different purposes. This aspect is further analysed in Q17, Section 5.1 of this report.

Pursue global alignment

37. With regard to the third principle, respondents generally supported the objective of global alignment but expressed reservations about the use of the term “ensure.” Many argued that global alignment should be regarded as a goal to be “pursued” rather than a guarantee, given differences in legal frameworks, supervisory mandates, and market structures across jurisdictions.
38. Several respondents suggested that alignment efforts should prioritise convergence with key jurisdictions, notably the UK and the United States, rather than aiming for full global alignment, which was considered overly ambitious. Others stressed that European harmonisation and competitiveness should take precedence, particularly where global alignment could constrain EU-specific policy objectives.
39. Stakeholders noted that global alignment could be supported by avoiding EU-specific identifiers where international standards already exist, and by consistently applying global identifiers such as LEIs and UPIs. Several stakeholders also noted that where certain data attributes are already embedded in internationally recognised identifiers (e.g. OTC ISINs), ESMA should avoid requiring the separate reporting of the same information, as this creates unnecessary duplication.
40. Some respondents, including one significant national association, also observed that removing ETDs from EMIR reporting would bring EU practice closer to international approaches.

Balance costs and benefits

41. Respondents broadly agreed with the need to balance costs and benefits but emphasised that this balance should be assessed both in the short-term and over the longer term. One pan-European association highlighted the importance of achieving immediate reductions

in reporting burden and costs, even where longer-term structural reforms are envisaged. A regulator respondent noted that any changes to reporting frameworks impose costs not only on market participants, but also on supervisory authorities, which would need to adapt their own IT systems, processes, and controls. Several respondents therefore called for a holistic assessment of costs and benefits across the entire reporting ecosystem. Overall, respondents stressed that cost-benefit considerations should account not only for implementation costs, but also for operational complexity, system stability, and the risk of repeated changes that erode the benefits of simplification.

42. In addition, respondents noted that allowing for regulatory flexibility would help frameworks adapt efficiently to market and technological changes, reducing unnecessary implementation costs and delays. In particular, what emerged from respondents' suggestions, including from significant associations, is that regulatory requirements should be framed in a more principle/purpose-based manner at Level 1, with greater flexibility to define and adjust technical details at Level 2 and Level 3. In this respect, ESMA has already published broader recommendations on the process for developing financial markets rules that are very much aligned with this feedback¹².

4.1.3 Additional principles suggested in the CfE feedback

43. In addition to the four principles proposed by ESMA, several respondents suggested introducing additional guiding principles, including:

- “Simplification” as an overarching objective across all reforms.
- “Data accuracy and system feasibility” to ensure that simplified requirements do not undermine data quality or exceed technical capabilities.
- “Reduction of physical and functional complexity” notably by limiting multiple connections to NCAs and divergent formats and validations.
- “Fair market conditions” ensuring that reporting requirements do not create barriers to entry, particularly for NFCs, and that sector-specific characteristics (e.g. industrial firms, physical energy markets) are adequately considered.
- “Report once” as a guiding principle to minimise duplication.
- “Harmonised interpretation and enforcement by NCAs” to ensure consistent application across Member States.

¹² ESMA. Section 4 Improving regulatory agility, supervisory consistency and global competitiveness. Recommendations. 15 Modernising the EU’s regulatory framework for financial services. Position Paper - Building more effective and attractive capital markets in the EU (22 May 2024): [www.esma.europa.eu/sites/default/files/2024-05/ESMA24-450544452-2130 Position paper Building more effective and attractive capital markets in the EU.pdf](http://www.esma.europa.eu/sites/default/files/2024-05/ESMA24-450544452-2130%20Position%20paper%20Building%20more%20effective%20and%20attractive%20capital%20markets%20in%20the%20EU.pdf)

4.2 Key takeaways and next steps

44. To reflect feedback received from respondents on Q2, the four guiding principles presented in the CfE have been subsequently updated.

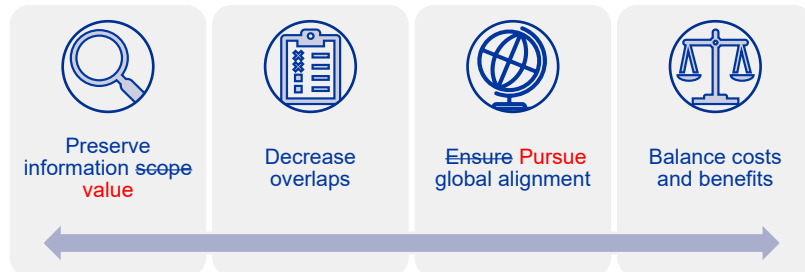


FIGURE 6 REVISED KEY PRINCIPLES FOR THE IDENTIFICATION OF SIMPLIFICATION OPTIONS

45. In this context, the first principle has been reframed as “**preserve information value.**” This clarification highlights that the intention is not to retain all existing data fields, but to focus on information that provides clear supervisory or statistical value, considering the different use cases associated with each dataset.

46. As regards the third principle, respondents generally supported the objective of global alignment but expressed reservations about the use of the term “ensure.” This point has been taken on board, and the principle has been refined as “**pursue global alignment**” recognising that global alignment, while desirable, cannot be guaranteed given differences in legal frameworks, supervisory mandates, and market structures across jurisdictions.

47. Finally, the additional principles suggested by respondents appear, for the most part, to be already covered by the four principles originally proposed by ESMA, or to arise naturally from their application. In particular, objectives such as simplification, “report once,” data accuracy, transparency, proportionality, and harmonised interpretation by NCAs can be seen either as broader considerations or as practical outcomes of preserving information value, reducing overlaps, pursuing global alignment, and balancing costs and benefits.

4.3 Simplification of options to streamline transaction reporting

48. Building on the identification of current challenges and the definition of key guiding principles, ESMA proposed two simplification options in the CfE. Each option included two sub-options, resulting in a total of four high-level proposals.

49. The approach focused on presenting a realistic and manageable set of options, allowing stakeholders to assess the main advantages and drawbacks of each. At this stage, the emphasis was placed on high-level design choices, deliberately avoiding detailed technical specifications or implementation pathways. By high-level choices we refer to those related to the scope of reporting, as for example dual-side requirements, entities subject to reporting obligations or instruments covered by the different regulatory frameworks.

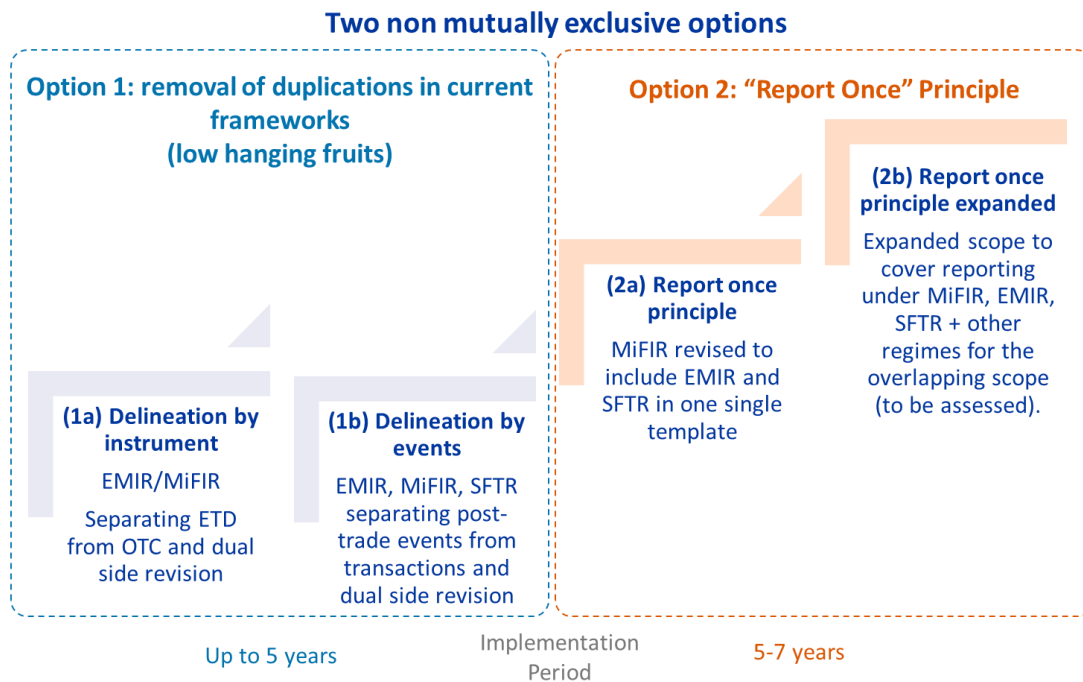


FIGURE 7 SIMPLIFICATION OPTIONS

Option 1: Removal of Duplications in current frameworks

50. This Option aims to remove existing duplications in reporting requirements, while maintaining the current reporting regimes and channels. It is a pragmatic, and although still complex, it targets quicker wins, addressing inefficiencies without introducing structural or strategic changes to the overall frameworks. Notably, it maintains the sectorial reporting frameworks separated and thus does not fully address the issue of unsynchronised changes.

Option 2: Implementation of a “report once” framework

51. This more comprehensive Option elaborates on the implementation of the “report once” principle by proposing creation of a unified reporting framework that consolidates existing sectorial regimes into a single framework capable of meeting all current needs. It would eliminate duplication at its root and could involve changes to the reporting infrastructures/channels (see Section 5). Such a transformation would not only streamline the content of reporting but could also redefine how reporting is carried out, potentially unlocking broader synergies.

52. Importantly, the two Options were not designed as mutually exclusive. Implementing Option 1 in the short- to medium-term did not preclude a future transition to Option 2 (over a longer implementation period of up to seven years). Rather, they represented incremental steps along a continuum of burden reduction and simplification. At the same time, ESMA did not include in the CfE any specific considerations regarding the implementation approach, namely, whether a phased rollout or a 'big bang' transition would be more

appropriate. On this point, stakeholder feedback has been particularly valuable, offering insights into the practical implications and preferences related to the timing and sequencing of potential changes.

53. At the same time, the two main Options are each divided into two sub-options, which, due to their respective approaches, are mutually exclusive, they key elements delineating the proposals are:

- Option 1:
 - Option 1a proposed a reporting delineation based on the instrument, aiming to eliminate duplication in the reporting of instruments, particularly between ETD and OTC derivatives. This Option also included changes to post-trade events reporting (i.e. valuation/margins to be sourced from CCPs and ETD and OTC derivatives positions to be calculated based on transaction data).
 - Option 1b sought to avoid duplication by delineating reporting based on the event, separating transaction and post-transaction reporting. Notably, Option 1b considered not only MiFIR and EMIR, but also SFTR.
- Option 2 presented two sub-options with incremental scope:
 - Option 2a focused on integrating the three aforementioned regulations into a single framework.
 - Option 2b went further, suggesting the possible inclusion of additional regulations where overlaps in reporting requirements were identified (e.g. Solvency II and REMIT).

54. It is important to note that the review of dual-sided reporting requirements for EMIR was a component of all options. A detailed analysis of the feedback received on this matter is provided in Section 6.16.1.

55. For all identified sub-options, the CfE applied a consistent set of questions, focusing on the assessment of benefits and limitations, as well as the identification of any missing elements and the relevance of their potential inclusion.

4.4 Option 1a

4.4.1 Background

56. Option 1a proposed a delineation based on the type of instrument, distinguishing between OTC derivatives, which would be reported under EMIR, and ETDs, which would be reported exclusively under MiFIR.¹³
57. This Option, sought to reverse the duplications generated during the regulatory development of both regimes by continuing to address the needs associated with them, essentially market abuse and financial stability, in line with the preservation of information value principle¹⁴, while avoiding overlaps in instruments and transactions.

4.4.2 Feedback to the CfE (Q3-Q5)

58. Stakeholders acknowledge that Option 1a offers pragmatic short-term benefits, mainly by removing overlaps between EMIR and MiFIR, allowing simplification of dual-side reporting, and limiting IT and other implementation changes. These gains are, however, broadly viewed as incremental, not transformative.
59. Concerns focus on the limited scope of the Option. The most frequently cited gap is the absence of a clear and robust delineation between ETDs and OTC derivatives, including the treatment of third-country venues. Stakeholders also point to risks of information loss, challenges with post-trade data, and possible inflation of reportable fields, especially considering that EMIR should be adapted to incorporate market-abuse data in line with the information value principle. Many warn that excluding SFTR (and potentially other regimes) perpetuates fragmentation and reduces the expected benefits.
60. Across sectors, stakeholders consistently call for clearer delineation of responsibilities, particularly between trading venues, CCPs, and reporting entities, as well as more guidance on data fields, proportionality measures for smaller firms, and the concrete implementation of single-sided reporting. In line with the overall feedback received on Q1 and Q2, many stressed the need for a robust CBA, clearer definitions, and a more predictable transition roadmap. Public authorities emphasise the importance of maintaining comprehensive supervisory access to data, warning against potential gaps. Overall, a significant share of respondents believes that Option 1a falls short of addressing deeper structural issues, cautioning that without a more integrated reform across related regimes, the gains may remain modest and risk leading to further incremental “quick fixes”.
61. In reviewing stakeholder feedback on Option 1a, it is important to clarify the scope and level of detail that can reasonably be reflected at this stage of the process. As noted in the scope description of the CfE, this Interim Report focuses on identifying the key elements

¹³ 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.

¹⁴ See Section 4.1.

stemming from Level 1 and on assessing the feasibility and implications of high-level policy choices. Several proposals therefore are not considered, not because they have been overlooked, but because such technical considerations are intentionally deferred to the implementation phase. This approach ensures that the policy discussion remains anchored at the correct legislative level and avoids pre-empting later, more specialised workstreams. At the same time, ESMA is exploring additional proposals beyond those described in the CfE to assess whether they could provide short- or medium-term relief (see Section 4.9).

62. To avoid ambiguity, ESMA reiterates that Option 1a, alongside all other policy scenarios outlined in this Interim Report, has been designed to preserve the information value principle. This means that, regardless of changes to reporting flows, delineation of responsibilities, or adjustments to Level 1 requirements, the information currently used by supervisors, central banks, and other authorities to perform their duties will remain accessible, subject to appropriate legislative adjustments, even though not necessarily through the same framework/channel.
63. With regard to the scope and responding to concerns raised by respondents, ESMA reaffirms that Option 1a does not contemplate the expansion of reporting obligations for UCITSD/AIFMD, as such changes would run counter to the simplification and proportionality objectives guiding this review.
64. A further point raised by several stakeholders concerns the treatment of derivatives traded on non-EU trading venues that are not recognised as equivalent. As noted in the CfE, the delineation between ETDs and OTC derivatives, as applied in Option 1a, relies on the existing EMIR definition, under which derivatives executed on non-equivalent third-country venues are considered OTC derivatives for EU reporting purposes. ESMA does not foresee changes in this approach.
65. Stakeholders also raised concerns regarding the feasibility of post-trade calculations, in particular the reporting of valuations and margins from CCPs, and the construction of positions based exclusively on transaction-level data. ESMA acknowledges that these elements present non-negligible operational challenges, which stem either from the absence of certain information on the side of some reporting entities, the significant modifications that current templates would require to capture all necessary post-trade attributes, or the inherent complexity of several calculations, most notably those linked to position-building.
66. Another issue raised by stakeholders concerns the exclusion of SFTR from Option 1a. This decision was made deliberately, with the intention of simplifying the initial Option and limiting the scope of changes required for implementation. Based on the feedback received, ESMA will consider the inclusion of SFTR within Option 1a with regard to the revision of dual-sided reporting requirements.

67. Thus, a key benefit identified by several stakeholders is the potential revision of dual-sided reporting obligations and linked reconciliation process¹⁵. This measure is widely regarded as pivotal to the simplification process, and Option 1a is seen as the simplest among the options presented, while still incorporating this important element.

68. A careful review of the responses reveals that stakeholders have differing perspectives on both the advantages and limitations of this Option. However, it is evident from the feedback that many stakeholders perceive Option 1a as straightforward and relatively simple to implement, with its prioritisation often linked to the expectation of lower costs and minimal modifications. Nevertheless, as highlighted in the CfE, Option 1a would necessitate changes to reporting schemas (e.g. templates and linked data model/ISO messages) to ensure the principle of information scope is upheld. Without such changes, authorities risk losing substantial data, particularly data relevant for market abuse monitoring.

4.4.3 Key takeaways and next steps

69. The feedback gathered has enabled ESMA to identify the elements considered most relevant or in need of prioritisation in Option 1a, such as the review of dual-sided reporting, the clear delineation between ETDs and OTC derivatives, the limitation of schema changes and the inclusion of SFTR within the scope of this Scenario.

70. ESMA is also analysing the most appropriate configuration for post-trade data flows, including the potential limitations identified by stakeholders. While ESMA is considering whether this element could be included in intermediate steps, the complexity attached to its implementation and the significant changes required suggest but rather something that should be analysed as part of the Option 2a longer term target solution.

71. In light of the above, ESMA has considered how best to further specify Option 1a, with a view to including a more precise proposal in the CBA. As a result, ESMA has defined **three sub-variants of Option 1a** which cover the perspectives of the vast majority of stakeholders:

- **Option 1ai with schema changes.** This sub-variant of Option 1a follows the approach outlined in the CfE, with all measures explained in the proposal. It includes changes to the schemas, primarily to preserve NCAs' ability to perform market abuse monitoring with EMIR data on OTC derivatives, and to ensure central banks can continue systemic risk monitoring with MiFIR data on ETDs. Additionally, this Scenario includes a review of dual-sided reporting obligations under both EMIR Refit and SFTR, notably by expanding mandatory delegated reporting to all counterparties, along with the removal

¹⁵ Reconciliation in this context does not mean portfolio reconciliation for risk mitigation purposes. Instead, it refers to the pairing and matching of the two reports submitted for the same derivative when both counterparties are required to report. Using the UTI and counterparties' LEIs, TRs verify whether both sides provide consistent data. Any mismatch obliges reporting firms to investigate, correct and resubmit their reports. These follow-up actions are seen as the main operational burden associated with dual-sided reporting.

of the associated reconciliation process, which is linked to the pure dual-sided reporting logic.

- **Option 1aii without schema changes and no delineation.** This simplified sub-variant of Option 1a focuses on reducing the cost linked with dual-sided reporting. This Scenario includes a review of dual-sided reporting obligations under both EMIR Refit and SFTR, notably by expanding mandatory delegated reporting to all counterparties, along with the associated reconciliation process¹⁶. However, there is no full delineation between ETDs and OTC derivatives.
- **Option 1aiii without schema changes and delineation.** This sub-variant, also a simplified proposal, introduces a partial split between ETDs and OTC derivatives. Specifically, it excludes "EU ETDs" from EMIR, in line with global standards, while maintaining the current MiFIR scope for OTC derivatives. This Scenario also includes a review of dual-sided reporting obligations under both EMIR Refit and SFTR, notably by expanding delegated reporting to all counterparties, along with the associated reconciliation process.

72. For clarity, all these options will also cover the expansion of the delegation of reporting obligations currently included under EMIR Article 9(1a) and SFTR Article 4(3) and the removal of reconciliation requirements linked to dual-side reporting obligations while maintaining a strong focus on data quality through the preservation of the communication mechanisms that ensure that both counterparties align on the details reported.

73. Considering the feedback received, these sub-variants will not be alternatives to Option 2a but could be implemented as intermediate steps to provide earlier relief ahead of implementation of the more comprehensive Option 2a to preserve information value. These three sub-variants will be included in the CBA for further analysis.

4.5 Option 1b

4.5.1 Background

74. Option 1b suggested a delineation of reporting scope based on events (i.e. transactions versus post-trading). Under this approach, MiFIR would cover transaction reporting for both ETDs and OTC derivatives, while EMIR would retain all post-trade events. Additionally, SFTR would be integrated under MiFIR and EMIR. Option 1b would review the dual-sided reporting requirements currently present in EMIR (possible also under SFTR).

4.5.2 Feedback to the CfE (Q6-Q8)

75. Across all three questions, stakeholder feedback is overwhelmingly negative. Option 1b is widely seen as overly complex, costly, and risky without delivering meaningful

¹⁶ Please refer to Section 6.1 for further details on the proposal under assessment with regard to extension of delegation currently included in EMIR and SFTR and linked reconciliation requirements.

simplification, burden reduction, or supervisory gains, with limited or no additional benefits compared to simpler alternatives (notably Option 1a or phased “report once” approaches). There is no clear stakeholder group that supports Option 1b as proposed, and even those acknowledging some conceptual merits do not consider them sufficient to justify implementation. Despite differences in market roles, views converge strongly across all stakeholder categories. Buy side, sell side, trading venues, CCPs, TRs/DRSPs public authorities, data vendors, energy stakeholders, and issuers all raise similar objections. Public authorities, while acknowledging some technical merits, also conclude that risks and costs outweigh benefits, and favour EMIR-based consolidation instead. Energy and other non-financial stakeholders are among the most strongly opposed, citing disproportionate impacts. Stakeholders broadly do not recognise meaningful advantages in Option 1b stating that:

- Any theoretical benefit (e.g. reducing duplicative reporting by splitting obligations by event) is seen as largely illusory in practice.
- Parallel reporting infrastructures would still be required, meaning complexity and duplication persist.
- Cost savings are considered minimal or non-existent, while implementation and operational costs would be substantial.
- Where benefits are acknowledged, the same objectives are seen as being more achievable more simply under Option 1a or through targeted improvements rather than structural redesign.

76. There is a strong perception that Option 1b fails to deliver the simplification or fundamental redesign that market participants expect from a reform of reporting frameworks.

77. The limitations and risks raised in Q7 strongly reinforce the negative assessment in Q6:

- Complexity and high IT costs are the most cited concerns. Stakeholders anticipate a fundamental overhaul of existing systems, including parallel system maintenance and extensive reconciliation.
- The event-based split between MiFIR and EMIR is widely viewed as misaligned with how firms’ systems are structured, which are typically product-based rather than event-based.
- Operational risks and data quality issues are expected to increase due to:
 - More frequent mismatches.
 - Greater reconciliation needs.
 - Higher error rates from splitting reporting across regimes.

78. Stakeholders stress that Option 1b would not eliminate duplication, and may even increase fragmentation across reporting regimes. NFCs, especially in the energy sector, are seen as particularly exposed, facing disproportionate burdens without commensurate benefits. Additional risks include regulatory divergence from global standards, dilution of supervisory focus, and increased supervisory costs. Overall, Option 1b is perceived as high-risk with low supervisory and market value.

79. Feedback on Q8 highlights that Option 1b fails to address core design and implementation issues, which further undermines its credibility:

- Duplication and unclear responsibilities remain unresolved, especially where execution and post-trade events are split across regimes.
- Stakeholders identify missing linkages and identifiers, which would exacerbate reconciliation challenges and weaken data usability.
- There is insufficient clarity on implementation, including how events would be allocated, validated, and linked across MiFIR, EMIR, and SFTR.
- Many respondents argue that extending MiFIR to OTC derivatives is fundamentally counterproductive, increasing complexity where EMIR already provides coverage.

80. Stakeholders repeatedly stress the importance of data quality, supervisory usability, proportionality, and global alignment, all of which are seen as insufficiently safeguarded under Option 1b.

4.5.3 Key takeaways and next steps

81. Stakeholder feedback on Option 1b is overwhelmingly critical, citing excessive complexity, high implementation costs, and misalignment with current practices. Respondents warn of operational risks and IT costs, data quality issues, and limited supervisory value, while expressing strong preference for incremental improvements. Based on these insights, next steps should not focus on assessing Option 1b's viability, exploring the other practical alternatives proposed that enhance data quality and reduce duplication without imposing disproportionate burdens.

4.6 Option 2a

4.6.1 Background

82. Option 2a built around the full "report once" principle, is the most ambitious proposal for simplifying financial transaction reporting and entails a longer implementation period of 5-7 years. Instead of firms submitting separate reports under MiFIR, EMIR, and SFTR, each with its own format and requirements, Option 2a envisioned, for all instruments in scope, an integrated report under one legal framework that simultaneously satisfies all three regimes. The goal is to preserve the regulatory purposes of each framework while

eliminating duplication and fragmentation. Under the current frameworks the same derivative trade might be reported multiple times under different rules, often with slightly different data requirements, creating complexity, reconciliation challenges, and significant costs. Under Option 2a, such overlap would be consolidated into one harmonised dataset, reducing operational burdens and improving data quality.

83. This approach would fully integrate reporting across MiFIR, EMIR, and SFTR, aligning definitions and identifiers and ensuring consistency with global standards to avoid divergence. Option 2a sought efficiency gains by removing duplicative IT systems and reporting channels; while maintaining the completeness of information required by each regime so supervisors still receive the data they need. In short, Option 2a aimed to integrate MiFIR, EMIR and SFTR requirements for derivative reporting into one single framework (including EMIR/SFTR post-trade events). Dual-sided reporting is revised and performed by financial entities and CCPs to the extent feasible. Positions are no longer reported but calculated from transaction-level information. The Option responded to industry calls for a streamlined approach and aligns with the EU's broader goal of reducing administrative burdens while maintaining robust oversight.

4.6.2 Feedback to the CfE (Q9-Q11)

84. Across stakeholder groups, there is broad support for greater harmonisation and simplification of EU transaction reporting frameworks, and many respondents recognise Option 2a as a strategic, forward-looking option capable of delivering long-term efficiency gains. Stakeholders widely acknowledge the potential benefits of reducing duplication across EMIR, MiFIR and SFTR, improving data quality and consistency, and enhancing supervisory access and analytical capabilities through a more integrated framework. The principles of “report once”, centralised data access, and streamlined reporting rules resonate strongly, particularly among buy-side firms, sell-side institutions, trading venues, and public authorities, who see these elements as beneficial to more effective oversight and lower long-term compliance costs.

85. At the same time, support for Option 2a also raises concerns about practical feasibility, cost, and risk. Across almost all stakeholder categories, respondents emphasise that the transition to a unified reporting framework would entail major IT development, complex legal changes, and lengthy implementation timelines. Many warn that, without a careful design of the harmonisation, it could paradoxically increase complexity rather than reduce it, particularly if existing regimes with different regulatory objectives are merged without a fundamental architectural redesign. Several respondents underline that EMIR, MiFIR and SFTR serve distinct supervisory purposes, and that forcing all instruments into a single, undifferentiated template risks loss of data granularity, reporting inaccuracies, and weakened regulatory effectiveness.

86. A recurring theme is the heterogeneity of products and reporting logics, especially for derivatives and Securities Financing Transactions (SFTs). Trading venues, CCPs, TRs, DRSPs and industry associations recall that these instruments have specific characteristics that do not naturally fit templates designed for more traditional securities.

While some stakeholders advocate building a common template with tailored sub-Sections by instrument type, others question whether full integration would ever outweigh the operational risks and costs involved. Concerns are raised for smaller entities and NFCs, who may face disproportionate burdens if reporting obligations are expanded.

87. Proportionality and implementation of sequential steps emerge as decisive factors in stakeholders' overall assessment of Option 2a. There is a strong and consistent preference for a phased or incremental approach, often starting with targeted improvements under Option 1a, before moving towards deeper integration. Respondents argue that a gradual implementation broken down in predictable and incremental phases with stronger dialogue between industry and regulators would allow firms to align changes with technology cycles, mitigate operational disruption, and test solutions before full rollout. Many also stress the need to preserve the possibility to rely on intermediaries for reporting, particularly for smaller firms, and to avoid creating new fallback-reporting responsibilities for asset managers in cross-border contexts.
88. Stakeholders further highlight that Option 2a lacks some components necessary for a sound implementation. These include a detailed rollout and transition plan, a clear governance framework for data access among NCAs, and concrete specifications of the technical architecture, such as the data model, reporting format, repositories, and data dictionary. The absence of clarity on how positions would be derived from transaction data, how the framework would be financed, and how costs and benefits would be distributed is repeatedly flagged as a major aspect to taken into account. Many respondents therefore stress the need for a comprehensive CBA to underpin any future proposal.
89. Governance, legal certainty, data access rights and data quality safeguards are also central to stakeholders' concerns. Respondents stress the importance of clearly allocating reporting responsibilities and liability, particularly where reporting is delegated to intermediaries, brokers, or trading venues. Risks linked to divergent national implementation, unclear regulatory scope, and excessive data volumes are seen as potential threats to the "report once" principle. Several stakeholders advocate maintaining global standards, such as ISO 20022 and common reference data, to ensure interoperability and international alignment, especially given the involvement of non-EU branches in EU markets.
90. Finally, respondents underline a continuous industry involvement with engagement in structured working groups, technical discussions, and bilateral exchanges to address design challenges and ensure that a integrated framework is operationally achievable. Suggestions to improve implementation include reviewing and streamlining non-essential reportable fields, addressing remaining duplications across regimes, and considering the interaction with other reporting frameworks not currently covered under Option 2a.
91. Overall, while stakeholders broadly endorse the vision of a more harmonised and simplified reporting landscape, they emphasise that the success of Option 2a depends on the definition of scope, strong governance, proportionality, and a phased, well-structured transition. Considering these elements, many respondents believe the challenges of implementing Option 2a are manageable and the long-term gains achievable.

4.6.3 Key takeaways and next steps

92. Respondents expressed a clear preference for a phased approach, starting with Option 1a, before moving toward the longer-term objective of Option 2a. Option 2a represents the target state and should build on some or all intermediate steps in Option 1a, e.g. revising dual-sided reporting and linked reconciliation process. Stakeholders acknowledge the long-term vision of Option 2a as a means to simplify EU transaction reporting through greater harmonisation, reduced duplication across MiFIR, EMIR and SFTR, and improved data quality and supervisory access.
93. However, this support is conditional on addressing significant implementation challenges, including high costs, legal and operational complexity, proportionality concerns, and the absence of a clear governance, technical and transition framework. Respondents emphasise the need for a phased and evidence-based approach, strong governance arrangements following the model used for the T+1 transition, greater flexibility to define and adjust technical details at Level 2 and Level 3, continued alignment with global standards, and flexibility in reporting arrangements, including the optional use of intermediaries.
94. Further work should therefore focus on defining scope, developing detailed technical and governance specifications, undertaking a comprehensive CBA, and maintaining close industry engagement to ensure that any move towards full integration is operationally feasible and proportionate. ESMA identified Options 1a (and possible variants) and 2a as preferred options and is assessing the relevant costs and benefits for market participants and relevant authorities. As stressed by the stakeholders and reflected in the outcome of the CfE, it is important to redefine the Level 1 regulatory frameworks before pursuing integration and defining the content of Level 2 measures. The approach is to integrate the three frameworks while preserving information value rather than subsume all reporting under MiFIR. Any intermediate step leading to this integrated reporting, e.g. revision of dual-sided reporting, should be incremental and cannot be reintroduced as part of the target option.

4.7 Option 2b

4.7.1 Background

4.7.2 Feedback to the CfE (Q12-Q14)

95. Over 60 respondents provided input regarding Option 2b. The majority did not consider Option 2b to bring sufficient immediate benefits compared to other options, although many acknowledged its potential for long-term simplification and burden reduction. About one quarter of respondents strongly supported Option 2b, highlighting its alignment with the "report once" principle and the significant reduction in duplicative reporting requirements. They emphasised that harmonised technical standards and a single unified reporting template would particularly benefit market participants, notably in the energy sector.

96. Among energy companies, three out of six supported Option 2b, citing improved transparency and simplified compliance, especially in light of recent energy market challenges. The remaining three were sceptical about its feasibility and effectiveness in reducing burdens in the short-term.
97. Several respondents stressed that Option 2b should only follow a successful implementation of Option 2a, as it represents a further step in streamlining reporting. Some also noted that the short- to medium-term benefits for reporting parties may be limited or misaligned with the intended burden reduction.
98. In terms of regimes to be included beyond EMIR, MiFIR and SFTR, suggestions encompassed the Transparency Directive, MAR, AIFMD, UCITSD, MiFID II Commodity position reporting, MMSR (due to overlap with FX Swaps, secured and OIS segments), and REMIT.
99. Additional proposals raised in the context of Option 2b but not necessarily specific to that Option included developing a centralised or interoperable data-sharing framework for authorities, and leveraging semantic labelling and smart data under AI frameworks to enhance regulatory reporting.
100. Respondents have flagged the following key limitations and potential risks of Option 2b:
- **Excessive complexity and cost:** The majority of respondents believe Option 2b is overly ambitious, costly, and unrealistic at this stage. Implementation and ongoing maintenance would require significant resources, making it difficult for many organisations.
 - **Misalignment of objectives:** Different reporting regimes (e.g., MiFIR, EMIR, SFTR, REMIT, Solvency II) have distinct objectives, data needs, and supervisory structures. Attempting to merge them, risks diluting the effectiveness and specific aims of each framework.
 - **Limited synergies and overlap:** There is little practical overlap between the different regimes, with many data fields irrelevant to certain transaction types or entities. The limited synergies mean that combining them offers few advantages over existing frameworks.
 - **Loss of specialised supervision:** Benefits from a specialised oversight by sector-specific regulators could be undermined. Depending on its implementation, different regulators would need to have access to different data points of the single template, which would entail legal complexity, access rights and increased need for coordination and data sharing between authorities (such as ESMA, NCAs and ACER) to avoid duplication while preserving sector-specific oversight.
 - **Legal and technical challenges:** Integrating diverse reporting requirements would entail complex legal discussions about data access rights and governance. The

resulting single reporting template would likely be oversized and include redundant fields, increasing legal and operational complexity.

- **Barriers for NFCs:** Imposing financial-sector-level reporting on industrial and NFCs could create barriers to market entry, particularly for small and medium-sized enterprises.
- **Timeline and opportunity costs:** Negotiation and implementation of Option 2b would be lengthy, delaying the realisation of benefits available from simpler or more phased options (such as Option 2a).
- **Governance and data quality risks:** The need for a strong governance framework is highlighted, especially regarding data quality, access rights, and liability schemes for the creation of a centralised hub.

101. Overall, the consensus is that Option 2b carries significant risks and limitations, with little support for its immediate adoption.

102. The majority of respondents identified several components missing or insufficiently addressed in Option 2b. Key gaps include a lack of clarity on which regulatory regimes should be integrated with EMIR, SFTR, and MiFIR, absence of an implementation roadmap and feasibility analysis, and insufficient detail on governance. Respondents also noted the need for clearer delineation of reportable event types, a robust plan for managing costs and transition, and safeguards against excessive template complexity. There were concerns about misalignment with ongoing developments in other regulatory frameworks (such as AIFMD and UCITSD), potentially leading to fragmentation, duplicative costs, and incompatibility. Issues were raised regarding access to and use of data by competent authorities, especially where supervisory responsibilities differ across regimes. Some called for consideration of alternative reporting infrastructures to streamline processes and reduce costs, and for proportionality in obligations for SMEs. Additional points included the need to address recent legislative updates, clarify definitions (particularly for OTC derivatives), and consider the inclusion of MAR reporting for energy derivatives markets.

4.7.3 Key takeaways and next steps

103. Key limitations and risks of Option 2b are high cost, excessive complexity, and impracticality at this stage. The proposal could undermine specialised supervision, create legal and operational challenges, and lead to oversized, redundant reporting templates. There is little overlap between regimes, risking ineffective harmonisation and increased burden, especially for NFCs. Implementation would be lengthy and resource-intensive, with significant governance and data management concerns. Given these limitations, this Option will not be included in the CBA that will be carried out in a first stage, while focusing on Option 2a.

4.8 Option prioritisation

4.8.1 Background

4.8.2 Feedback to the CfE (Q15)

104. 66 respondents provided views on this question. A large majority of respondents across all sectors (buy side, sell side, market infrastructures, and public authorities) recognised the value of Option 2a as a long-term target solution. Nevertheless, views differed on the implementation, on the one hand, pan-EU associations across buy side and sell side expressed clear support for a gradual approach starting with Option 1a to provide immediate relief and prepare the ground for a transition towards Option 2a, which should be subject to further cost-benefit assessments. Notably, respondents from the buy side expressed strong support for single-sided reporting to be implemented as a first step to provide relief¹⁷ and reiterated concerns about possible future extension of MiFIR-style obligations to cover asset managers. On the other hand, some stakeholders expressed support for immediately starting the work towards Option 2a, though they also recognised that the transition towards this Option should be done in phases.
105. Market infrastructures (trading venues and CCPs) and the energy sector expressed views largely aligned with the national associations with only a small subset of them advocating for the “report once” principle extended to also REMIT and MAR (Option 2b).
106. A minority of respondents expressed support for the simplification exercise to be limited to Option 1a only, including two pan-EU associations. Notably, one advocated that Option 1a should also cover SFTR while the other did not see merits in including SFTR in this exercise.
107. As more detailed points, all trading venues expressed concerns with the requirement to report personal data on non-MiFIR clients and possible extension of such requirement as a result of dual-sided reporting revisions.
108. Regardless of the slight divergence of views on the implementation, nearly all respondents emphasised in a way or another that the implementation of the target option should be carried out in constant dialogue with stakeholders and accompanied by further cost-benefits assessments. The T+1 governance model was mentioned as an example of efficient industry-regulators cooperation on technical matters.

4.8.3 Key takeaways and next steps

109. Common themes across all types of market participants:

¹⁷ This aspect is further analysed in Sections 4.8 and 6.1.

- Need for a gradual approach broken down in predictable and incremental phases with stronger flexibility in Level 2 for implementation and more intense dialogue between industry and technical authorities like ESMA. This approach would envisage starting with “low-hanging fruits” and then moving towards a more comprehensive target solution.
- Call for regulatory pauses and realistic implementation periods to avoid repeated system changes and allow for proper adaptation.
- Implementation of the target option should be carried out based on a clear and transparent roadmap and in dialogue with market stakeholders and accompanied by further cost-benefits assessments. T+1 governance model was repeatedly mentioned as an example.
- Further cost-benefits assessments are warranted, especially on the long-term target option.

4.9 Additional options and medium-term burden reduction measures identified

4.9.1 Background

4.9.2 Feedback to the CfE (Q16)

110. 69 stakeholders responded to this question; the most representative proposals were the following:
111. A large majority of stakeholders (over 30) support a phased approach to reporting simplification. This typically means starting with immediate actions (removal of duplications, harmonisation of data fields, single-sided reporting), then gradually moving to a “report once” model aiming for full harmonisation across all reporting regimes (SFTR, EMIR, and MiFIR). As key element of a phased approach several stakeholders emphasised the need for a clear roadmap and implementation plans. This aspect was emphasised in the responses to the previous question and confirms the key takeaways outlined in the previous section.
112. Some respondents, mostly on the sell side, as well as a major exchange and CCPs, advocated for an approach that bases reporting responsibilities on the “golden source” of the data, whereby the entity primarily generating the data would also be responsible for reporting it, given its operational control and direct access to the relevant information. In this context:
- several stakeholders suggested that trading venues or CCPs should assume reporting responsibility for ETDs, where relevant, as this could reduce the burden on counterparties and help eliminate mismatches;

- trading venues highlighted practical challenges, in particular with respect to reporting personal data on clients; and
- one stakeholder proposed that all cleared trades, including novated OTC transactions, should be reported by the direct clearing member or the CCP, and, in the case of on-venue transactions, by trading venues. This aspect is further analysed in Section 5.1.1.4.

113. As an alternative, some national associations indicated that this approach could be implemented only for some data points by leveraging on existing reference data registers (GLEIF, ANNA, DTIF etc.). This aspect was equally emphasised in the responses of the individual firms from the German industry.

114. Alignment with global regimes is also cited multiple times. Several stakeholders highlight the need for alignment with the UK and other jurisdictions to avoid operational complexity and duplicative compliance burdens. Given the UK reform proposals are planned for the short-medium term, this aspect is particularly relevant when considering additional burden reduction measures to be implemented as intermediate steps.

Intermediate steps to be implemented in medium term

115. Some stakeholders propose to start with basic and independent simplification measures to provide short/medium term relief before moving to more sophisticated proposals. Several measures were flagged in the individual responses and are reported in the below:

- Exclude certain types of transactions from the MiFIR reporting scope (e.g. financial instruments with no price, tender offers on shares, corporate actions, SFTs concluded with central banks, non-EEA branches, acquisitions, or disposals under an Employee Share Incentive Plans, etc.). Notably, respondents highlighted that the removal of corporate actions would ensure alignment with the approach proposed in the UK¹⁸.
- Reassess the supervisory use of fields included across the various reporting regimes, with a view to deprioritise supervisory actions in relation to the reporting of some fields.
- Simplify requirements related to intragroup reporting exemptions under EMIR. Some stakeholders suggest full exemption, including for financial counterparties while others call for simplifying and harmonising the process linked to the notification of approval of exemptions for reporting. Few also suggested to expand this possibility to SFTR. Similarly, Article 9(1), third subparagraph of EMIR 3.0 provides an additional reporting requirement to report net aggregated positions

¹⁸ Financial Conduct Authority. Consultation Paper CP25/32: Improving the UK transaction reporting regime (21 November 2025): www.fca.org.uk/publication/consultation/cp25-32.pdf

weekly when benefit from the exemption from reporting obligation, stakeholders also mentioned the burden linked to this process.

- Exclude, in the case of aggregated transactions executed on behalf of clients under portfolio management services.
- Start defining common data elements/components where possible, remove inconsistencies between regimes and remove 'unnecessary' data elements.
- Include front-office system requirements, suggesting that data such as UTI, UPI, ISIN, and counterparty identifiers should be generated at trade execution in front-office systems.
- Use consistent formats and taxonomies for both products and confirmations.
- Avoid overlaps between different identifiers.
- Development of documentation, databases, information, and validation tools in a machine-readable format.
- Simplify current validation rules (see Section 5.1.3 for further details).
- Make the reporting party whose client is outside the EU responsible for identifying the end client, especially where the transaction trail extends beyond the EU and the end client or trader is not easily identifiable.
- Include minimum trade size threshold, in particular for ETDs. This aspect is further analysed in Section 5.3 of this report.
- Explore whether position and transaction reporting are redundant.
- Explore whether settlement fail reporting under SFTR is duplicative due to the similar obligation under the CSDR.
- Restrict ETD reporting under EMIR to only EU ETD trades on EU trading venues.
- Adopt a cost-benefit approach on the reporting of historical corrections and reduce back-reporting 5 to 3 years. This aspect will ensure alignment with the approach proposed in the UK¹⁹.
- Use the CFI code of the financial instrument to derive reference data removed.
- Reduce reconciliation fields under EMIR/SFTR.

¹⁹ Financial Conduct Authority. Consultation Paper CP25/32: Improving the UK transaction reporting regime (21 November 2025): www.fca.org.uk/publication/consultation/cp25-32.pdf

- Remove FIRDS obligations for Systematic Internalisers/Data Publication Entities.

116. Several stakeholders flagged that some of these changes do not need Level 1 modifications and therefore are faster to implement.

Alternative options

117. Some stakeholders proposed modification to the Options outlined in the CfE or proposed alternative ideas, including:

- “Option 0”, a simplified alternative consisting of: retain MiFIR transaction reporting as-is, remove EMIR transaction reporting for contracts managed at position level (usually centrally cleared), maintain EMIR reporting for OTC contracts, valuations, and collateral. Leverage CCP-sourced instrument data while removing dual-side or at least reconciliation requirements plus field optimisation.
- One proposal keeps the key features of Option 1a but also propose the integration of ARM and TR services to streamline reporting channels this Option is further considered as part of the analysis in Section 5.1 on reporting channels.
- Another proposal also keeps the delineation per instrument as in Option 1a but also propose to include SFTR and remove dual-sided reporting where it adds little or no supervisory value (e.g. for NFC- under EMIR or for SFTR agency lending), reduce the number of reconciliation fields, exclude SFTs with central banks from MiFIR reporting and exempt investment firms from commodity position reporting.
- Few stakeholders, notably public authorities, suggest an “Option 3” rolled out into short, medium, and long-term steps. In the short-term, the focus should be on integrating all derivative transaction-level reporting under EMIR, maintaining dual-sided reporting for both EMIR and SFTR, and potentially remove transaction-level reporting in MiFIR. In the medium term, collection, formulation, and dissemination of “best practice” guidelines aimed at reducing reporting costs and harmonising reporting frameworks. In the long-term, the development of a methodological framework for cost assessment and the elimination of selected data elements where established reference datasets can effectively supplement the required information.
- Few stakeholders proposed to focus on streamlining the reporting by leveraging the TRs (or other market infrastructures) as a central consolidator, offering flexibility in submission formats (compatible with Option 1 or 2), requesting relevant data only to reporting entities and then aggregating it to cover NCAs’ needs. Similarly, there is an alternative proposal suggesting keeping current (or similar) templates for EMIR, SFTR and MiFIR, to be reported to either TRs or ARMs to finally be made available to relevant NCAs through a centralised mechanism. A few propose a Hybrid Transaction Reporting Mechanism (HTRM) while several recommend digitisation as way to make progress on the simplification path, with the adoption of a Common Domain Model (CDM) and Digital Regulatory Reporting (DRR) as foundational steps before moving to the “report once” Option 2. In this regard there was a strong support for a common data dictionary.

- One stakeholder cautioned about overly expanding the scope of this exercise to transparency reporting requirements. The simplification exercise should be limited to transaction reporting supervisory data.

4.9.3 Key takeaways and next steps

118. Concerning the suggestions for “quick wins”/“low-hanging fruits” to provide immediate reliefs and prepare the grounds for the transition to Option 2, ESMA takes note of the suggestions made and will consider them as part of the implementation work, provided that the relevant changes to the Level 1 framework are made to enable ESMA to progress this simplification exercise. As a first step, ESMA has identified the suggestions that clearly emerged from the qualitative feedback to this CfE and would require a Level 1 change and thus could be considered as part of the policy recommendations within the scope of the subsequent Final Report. In particular, it should be emphasised that, given that such measures are dependent on Level 1 changes, their implementation cannot be immediate and is dependent on the European Parliament and the Council to incorporate these changes in the relevant Level 1 frameworks, based on a proposal from the European Commission. Its implementation should therefore be expected in the medium term. These are:

- The revision of the timelines for systematic historical corrections provided that NCAs maintain the ability to require back-reporting on an ad hoc basis for up to 5 years for serious reporting failings.
- The exclusion of SFTs concluded with central banks from MiFIR reporting, provided that such transactions are moved under the SFTR framework and SFTR data quality is strengthened for the purpose of the relevant supervisory tasks.
- The revision of dual-side reporting (further analysed in Section 6.1).
- The clarification of the ETD reporting scope.
- The revision of SFTR reporting of instances where the settlement has failed (also mentioned as cost-driver in Section 3.2.1).
- The exclusion of certain corporate actions and other transaction subject to MiFIR reporting; that are not essential for market supervision monitoring purposes; and
- Simplifications of intragroup reporting under EMIR.

119. Concerning the suggestions for alternative options, ESMA takes note of the suggestions made and will consider how to reflect some aspects of the proposed alternative options in the refined Options 1a and 2a. In addition, the alternative Option based on a single central consolidator will also be considered alongside the analysis in Section 5.1 (reporting channels). All assessments will feed into the elaboration of Option 2a to be further evaluated as part of the CBA.

120. Finally, ESMA takes note of the more detailed suggestion to retrieve the relevant reference data from the existing golden sources registers such as ANNA and GLEIF and will consider it as part of the Level 2 implementation work, provided that the relevant Level 1 changes are made to enable ESMA to progress in this simplification exercise.

5 Additional cost-reduction implications

121. In addition to the two main simplification options and their respective sub-options, the CfE outlined a series of supplementary measures that could result from the application of the Options outlined in the previous sections and would contribute to reducing the cost associated with reporting.

122. On the one hand, feedback was sought on the potential cost savings and practical impact of these measures. On the other, the aim was to assess whether certain elements previously raised by stakeholders might still be considered relevant in light of the simplification objectives.

123. Although these additional measures are independent of the Options identified in the preceding Section, some could be applied across all scenarios, such as the review of reporting frequency, while others would only be feasible under specific scenarios. For instance, changes to the infrastructure used to channel reporting would only be reasonably compatible with Option 2 in the application of the “report once” principle.



FIGURE 8 ADDITIONAL COST REDUCTION CONSIDERATIONS

5.1 Reporting channels

5.1.1 Modification of current reporting channels

5.1.1.1 Background

124. The reporting channels under EMIR/SFTR and MiFIR differ significantly in structure, purpose, and technical implementation, leading to inconsistencies that affect regulatory efficiency and industry compliance.

125. At the same time, there are notable discrepancies in how competent authorities access, validate, control, and consume the reported data, resulting in duplication, additional costs, and challenges related to data sharing among different supervisory users. As highlighted

by stakeholders in their responses to Q1 of the CfE (see Section 3), this fragmentation leads to redundant and overlapping data requests, inconsistent approaches to data validations, which further increase the reporting burden under the current frameworks.

126. The options applying the “report once” principle represent a fundamental change in implementation with regard to reporting channels and raise considerations for the reporting flow, centralisation of these flows, associated technology, and the funding model.

5.1.1.2 Feedback to the CfE (Q18)

127. A large group of stakeholders (~43%), including several significant buy-side associations and representatives from the energy sector, argue that trading venues and CCPs for cleared trades are closest to the data, so moving reporting to them would eliminate duplicate submissions, reduce mismatches, and streamline controls. They expect better timeliness, higher accuracy/consistency, and lower operational burden for investment firms, especially for smaller actors that face disproportionate ARM/TR costs. This is particularly relevant for EMIR ETDs, noting that CCPs already hold post-trade data (positions, valuations, collateral). A few also highlight the “report once” architecture and central identifiers (e.g., Trading Venue Transaction Identification Code) as concrete quality gains.

128. Another sizeable group of stakeholders, including major pan-EU associations representing the sell-side, expresses positive support and sees potential benefits only if ESMA imposes strict conditions: limit venues’ role to data they already capture (RTS 24), do not require client-specific or intermediary-chain details (RTS 22 fields held by firms), and harmonise formats across the EU to avoid UK-style fragmentation (venues demanding bespoke daily files). Without these safeguards, the change would add complexity, force sensitive data sharing with venues, and replicate costly experiences. Some ask ESMA to streamline fields and run structured workshops before running the implementation phase.

129. A subcluster of few stakeholders, including a major association and individual entities representing CCPs, supports transferring reporting responsibilities only for ETDs, because CCPs already have the relevant information. They do not support a full MiFIR/EMIR transferring. They emphasise that OTC derivatives and portfolio level risk items must still be handled by counterparties/CCPs, possibly with cross channel identifiers to reconnect the portfolios.

130. The CCPs, trading venues and public authorities or data vendors representing a significant minority (~23%) strongly oppose the shift of reporting to trading venues making venues responsible for broader MiFIR/EMIR reporting. According to their feedback it would increase complexity, costs, and risks. They argue that venues do not hold client side or lifecycle data, this would need to collect highly sensitive personal information under tight T+1 deadlines, and could not enforce provision from non-EU entities, resulting in lower data quality and raising legal/security risks. Authorities note it would fragment reporting across multiple sources and complicates data quality management. Their suggested

alternative is a greater standardisation, improved delegation frameworks, or centralised data access hubs for regulators, without reassigning responsibility.

5.1.1.3 Key takeaways and next steps

131. A clear majority of respondents support transferring reporting of post-trade events to CCPs mainly thanks to reduced duplication, clearer reporting chains, and better data quality.

However, when it comes to reporting executions by trading venues, most supporters make it clear that support is conditional on strong safeguards, harmonisation, and limiting to what venues can only report, i.e. excluding client information and chains.

132. While the benefit of shifting reporting responsibilities to CCPs for cleared trades in ETDs are clear, the views on shifting reporting responsibilities to trading venues are mixed and not conclusive. ESMA notes that it would not be as straightforward as originally intended and thus will not consider this element in the assessment of the final recommendations.

5.1.2 Centralisation of reporting flows

5.1.2.1 Feedback to the CfE (Q17, Q19, Q20)

133. Stakeholders in Q17 responses expressed strong convergence in recognising that the current reporting architecture based on multi-channel reporting, spread across TRs, ARMs, APAs, Registered Reporting Mechanisms (RRMs), NCAs, and sector-specific channels, creates costs, duplication, fragmentation, and inconsistent data flows. While intermediaries may provide useful services, especially for smaller firms, their use should be optional rather than compulsory. A strong convergence emerges toward the need for greater centralisation, harmonisation, and in many cases in full simplification of reporting channels.

134. Across responses to Q19 and Q20, feedback consistently points to a core operational problem: multiple reporting endpoints and fragmented reporting channels create burden and weaken data quality, due to divergent validation rules, duplicative submissions, and inconsistent interfaces/portal capabilities.

135. A clear majority (~76%) supports centralisation in some form: 79 out of 104 respondents are supportive (61 strongly + 18 cautiously), while 25 do not support centralisation. Supportive respondents generally acknowledge that, over the long-term, consolidation could deliver efficiency gains, enable harmonised formats, and foster supervisory convergence.

136. Within the supportive group, referring to fewer reporting endpoints, the stakeholders argued that the current setup of multiple channels and fragmented portals increases operational complexity and degrades data quality because validation rules and interfaces differ. Some respondents point to potential advantages of a model in which ESMA would

act as a central hub, citing elements such as direct reporting and the removal of multiple submissions or endpoints.

137. From the feedback raised in the context of Q17 also emerged the strong support for a single reporting channel that is viewed as a prerequisite to implement Option 2 “report once” and fundamental to reduce operational burden, data submission inconsistencies, and costs. A number of respondents favour greater centralisation, including the possibility of a single reporting channel at EU level especially under Option 2/2a. Generally, all support greater harmonisation and centralisation, anticipating that channel redesign is unavoidable under single sided or hub based models. It has also emerged that defining the target reporting framework should be a prerequisite to any channel redesign, highlighting the need for a thorough assessment of impacts and associated costs. In addition, the feedback received underscored that the current reporting chain is heavily dependent on intermediaries, calling for a model in which the use of intermediaries is optional rather than mandatory, and for validation/reconciliation functions to be centralised.
138. However, a substantial portion of supportive feedback emerging from the replies provided for Q19-20 is conditional: support is often linked to feasibility, cost-neutrality, robust governance, phased delivery, and preserving NCAs’ supervisory roles. Conditions highlighted include clear governance separating ESMA’s technical hub role from NCA supervision, robust funding/staffing for ESMA, retaining optional use of TRs/ARMs, ensuring NCAs remain central in interactions with reporting entities, and implementing the hub incrementally.
139. Those entities (Q17) supporting the centralisation of controls at ESMA level said that it would make the system more resilient and adaptable to future regulatory changes. A very small number of entities that support the harmonisation, prefer to keep the reporting at NCA-level as primary recipient, with ESMA receiving harmonised aggregated data at EU-wide and coordination role.
140. On advantages and opportunities (Q20), pro-centralisation arguments are described as remarkably consistent across buy side, sell side, infrastructures, and several public authorities: a single channel (or fewer entities) would streamline workflows, reduce the costs of maintaining multiple channels, and improve data quality through unified validation and a harmonised data model/governance framework, reducing the need to reconcile disparate sources and mitigating cross-regime inconsistencies (EMIR/MiFIR/SFTR).
141. From the feedback raised in Q17 the trading venues, CCPs, and their associations broadly support reporting consolidation into a streamlined single hub or repository though with differing views on scope and allowing NCAs to directly access and retrieve the information they require. They advocate discontinuing multiple repositories and establishing a single central repository capable of processing EMIR, MiFID/MiFIR, REMIT, and MAR data. TRs and DRSPs defended the role of existing infrastructures contributing to greater harmonisation. According to them, ARMs/TRs materially contribute to pre-submission validation and accuracy, therefore arguing for their retention. TRs overall support harmonisation but not elimination of their role.

142. At the same time, a minority of respondents (Q19-20) opposes full centralisation/direct reporting to a single entity, especially energy market participants and some buy-side associations, and prefers building on TR/ARM infrastructures and focusing on data sharing/interoperable access mechanisms rather than changing reporting flows. In this cluster, TRs and ARMs warn that bypassing their role could reduce data quality and remove operational buffers, while some public authorities stress risks of losing local supervisory insight and weakening direct NCA-firm relationships needed for correcting errors and understanding context. Concerns also include cybersecurity/single point of failure, implementation/transition costs, proportionality, and global reporting considerations.

143. Overall, majority support for centralisation across the feedback provided in Q17, Q19-20, however, a minority of stakeholders raised concerns noting that any centralisation would follow redesign of the reporting flow. They also warn about supervisory and operational risk concentration, potential risk of monopolies, favouring centralisation with robust oversight and open, interoperable standards. They oppose rushing to a hub or want phased/step-by-step implementation.

5.1.2.2 Key takeaways and next steps

144. Taken together, the responses to Q17, Q19 and Q20 reveal a strong consensus that the status quo is unsustainable. Across different stakeholder groups, the core message is clear: the current fragmented reporting channels are inefficient, and stakeholders largely favour greater consolidation, strengthened harmonisation, and clearer allocation of reporting responsibilities. This is seen as a key precondition for the successful implementation of Option 2 “report once”.

145. While views differ on whether ESMA should immediately become a single reporting hub, even considering the DRSPs and TRs feedback, there is agreement that fewer reporting end points, fully harmonised validation rules, and submission processes, and a “report once” logic are essential to reduce burden, improve data quality, and support effective EU-level supervision.

146. Centralisation to a single submission point is nevertheless widely seen as both an opportunity and a challenge: a desirable direction to explore in the future that must be carefully designed, proportionate, and institutionally balanced to be feasible.

5.2 Use of other technologies, reporting frequency and proportionality

5.2.1 Background

147. ESMA has established harmonised protocols for the transmission of most regulatory reports. In recent years, the shift towards reporting formats based on standards such as ISO 20022 and XML has enabled convergence towards unified structures. At the same

time, the ESMA's Data Strategy²⁰ also identifies the possibilities created and challenged posed by the rapid growth of new technologies suited for supervision, reporting, data collection or data use, and fast-evolving digital developments.

148. In particular, in light of emerging technologies, such as particularly those based on DLT and smart contracts, it is pertinent to assess the extent to which such innovations could contribute to cost reduction objectives. For instance, the adoption of smart contracts is inherently linked to the standardisation of messages and the events they trigger²¹, and may offer the potential to reduce or even eliminate certain validation processes currently undertaken by competent authorities and market participants alike.
149. These considerations were raised in the CfE, with the aim of evaluating the potential integration of these and other technologies into the regulatory framework.

5.2.2 Feedback to the CfE (Q21)

150. The majority of respondents acknowledged that technologies such as DLT, smart contracts, and other innovations hold promise for long-term modernisation and efficiency improvements in regulatory reporting. They stressed that regulators should remain open to innovation but emphasised that significant challenges currently prevent these technologies from reducing supervisory reporting burdens in the short-term. Many argued that efforts should instead focus on regulatory simplification, data standardisation, and leveraging existing technological frameworks, as the relevance of advanced technologies depends on first resolving semantic, technical, governance and structural²² issues.
151. Several stakeholders cautioned against using supervisory reporting as a testing ground for immature technologies, insisting that any regulatory requirements must align with the average technological capabilities of the industry. At the same time, respondents highlighted the importance of further developing existing solutions, such as standardised data models and machine-executable regulatory rules, to improve consistency and reduce costs. Looking ahead, some noted that if DLT were to be adopted, regulators would need to shift from the current “data-push” approach to a “data-pull” model, allowing authorities to extract required information directly from standardised DLT contracts. While this could simplify reporting in the long-term, it would entail significant transition costs for market participants.
152. SupTech tools such as real-time monitoring dashboards and automated breach detection were mentioned as achievable and already available tools to leverage. A few respondents flagged frameworks like the CDM and DRR initiative as immediately

²⁰ ESMA. Section 2.2.2 Technological developments/digitalisation. ESMA Data Strategy 2023-2028 - 2025 Update (13 January 2026): www.esma.europa.eu/sites/default/files/2023-06/ESMA50-157-3404_ESMA_Data_Strategy_2023-2028.pdf

²¹ ESMA. Report on the DLT Pilot Regime - Study on how financial instrument transactions are registered in various Distributed Ledger Technologies (5 October 2023): 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

²² At present, the use of DLT-based market infrastructures remains very limited. As long as financial instruments continue to be traded or settled outside DLT environments, the practical implementation of DLT-based reporting remains challenging, given that the underlying data is still generated and maintained through traditional market infrastructures.

applicable for operational improvements. Overall, most contributors advocated for a cautious, voluntary, and step-by-step approach to adopting new technologies, ensuring alignment with industry readiness and supervisory objectives.

5.2.3 Key takeaways and next steps

153. Stakeholders agree that while technologies like DLT and smart contracts may offer future benefits, however, the current lack of maturity of these technologies, the lack of widespread adoption, and the associated risks may not only fail to reduce the costs of regulatory reporting, but could in fact increase them, adding complexity to well-established standards that have already demonstrated their effectiveness. ESMA will not explore recommendations on reporting to be solely based on these technologies at this stage, given concerns about readiness and data/process sensitivity.
154. Instead, ESMA will focus on deepening the use of proven technologies (e.g. SupTech) and pursue further standardisation. ESMA will also continue to monitor and assess promising innovations highlighted by respondents, such as AI, ensuring that future adoption is both cautious and aligned with industry and supervisory capabilities and existing prevailing market infrastructures.

5.3 Reporting frequency and other proportionality measures

5.3.1 Background

155. The principle of proportionality is already embedded within the regulatory frameworks under review. Both EMIR and MiFIR incorporate multiple proportionality mechanisms aimed at tailoring obligations to the size, complexity, and risk profile of the entities concerned.
156. These include exemptions for small financial counterparties and NFCs, delegated reporting arrangements, differentiated transparency requirements based on market liquidity, and other tailored obligations. Such provisions ensure that regulatory burdens are appropriately calibrated, without compromising the overarching objectives of financial stability and market integrity.
157. An alternative proportionality measure could be reducing the frequency of reporting, as it has been associated with an overall decrease in reporting burden and related costs. Such frequency adjustments may apply either to specific data fields within a report or to entire reports under a given framework.
158. Although these proportionality measures have generally been well received by stakeholders, the CfE sought to explore what additional measures could also be considered to further enhance the regulatory frameworks and in particular whether or not reducing the frequency of reporting could help in mitigating reporting burden.

5.3.2 Feedback to the CfE (Q23-Q24)

159. A substantial majority of respondents expressed a clear preference for retaining the current daily (T+1) reporting frequency. Most of stakeholders emphasised that daily reporting is well-established and provides supervisors with timely transaction-level data essential for effective oversight, systemic risk monitoring, and crisis management. They argued that rapid access to granular data enables prompt supervisory and policy action, making daily reporting a cornerstone of market integrity. Many respondents also stressed that any adjustment to reporting frequency should only be considered as part of a broader structural redesign, rather than as an isolated measure.
160. A smaller group supported a more risk-based or proportional approach, suggesting that daily reporting should apply only to systemically important entities, while non-systemic actors, such as smaller firms or NFCs, could report less frequently, for example weekly, monthly, or on an event-driven basis. Some proposed extending the reporting deadline from T+1 to T+2 to accommodate firms operating across multiple time zones, arguing that this would allow more time for validation and correction without reducing overall frequency. Others advocated calibrating frequency to data complexity, with more complex fields such as reconciliation, valuation, and collateral reported less frequently, while standardised transaction data remains daily. A few respondents suggested aggregate position reporting for certain fields as a less burdensome alternative to daily granular reporting.
161. There was limited support for monthly or quarterly reporting for less significant transactions, particularly for SMEs, and some recommended batch reporting for entities with low volumes to ease validation and infrastructure requirements. Several stakeholders argued that meaningful burden reduction would come not from changing frequency but from reducing the number of reportable fields and simplifying requirements. Only a very small minority supported eliminating daily reporting altogether, citing operational burden reduction and alignment with actual risk profiles. Others refrained from taking a strong position, instead calling for careful impact assessment and proportionality in any future changes.
162. Across sectors, views were broadly aligned, with most respondents favouring the current daily frequency as proven and effective, while suggesting that burden reduction should focus on simplifying data fields and other measures rather than altering frequency.
163. Buy-side respondents highlighted that the real challenge lies in the volume of fields and validation rules, not the frequency itself, though some supported lower frequency for complex data types.
164. Sell-side firms strongly defended daily reporting for timely supervision and crisis management, warning that reducing frequency would not meaningfully reduce burden.
165. Trading venues and CCPs stressed operational dependencies and the need for timely data for market integrity.
166. TRs and DRSPs considered daily reporting optimal for efficiency and data quality.

167. Public authorities opposed reducing frequency, citing its importance for financial stability, market abuse detection, and systemic risk monitoring.
168. Energy sector respondents were more open to risk-based or event-driven approaches, advocating less frequent reporting for non-systemic actors while maintaining daily reporting for systemic institutions.
169. Finally, data vendors emphasised that harmonisation of data standards and field definitions is more critical than changing frequency.
170. The majority of respondents expressed strong support for applying the principle of proportionality to transaction reporting. Stakeholders argued that requirements should reflect the size, risk profile, and market role of each entity, aiming to reduce unnecessary burdens, particularly for smaller or lower-risk participants. However, there was considerable debate on how proportionality should be implemented.
171. Many respondents advocated for single-sided reporting as a key element also bringing proportionality to the reporting responsibility. Questions were raised about who would bear reporting responsibility, with banking and asset management representatives arguing that obligations and data quality accountability should rest with venues, CCPs, or dealers rather than management companies or banks.
172. Similarly, some stakeholders suggest that if a trade is already reported by other market participants, less sophisticated actors should not be required to duplicate submissions. Equally, two stakeholders advocated for establishing thresholds such as minimum trade size thresholds.
173. Others, including a major national association, cautioned against creating simplified regimes based solely on firm size, such as for SMEs, noting that most small firms already delegate reporting to larger entities. They argued that introducing separate frameworks could increase complexity and supervisory challenges and instead called for consistent simplification across all firms. Similarly, some authorities and respondents warned that, in general, exemptions or differentiated requirements could lead to gaps in data coverage and operational complexity, stressing the need for consistency and completeness.
174. Several stakeholders recommended a comprehensive review of required data elements to eliminate duplicative or non-essential fields, ensuring that only information critical for supervisory purposes is retained.
175. One stakeholder mentioned that proportionality should be also applied with regard to the reporting of historical corrections.

Sector analysis

176. Buy-side respondents consistently supported proportionality, advocating for single-sided reporting and a review of duplicative fields to reduce burdens for smaller firms.

177. Sell-side firms echoed these views, emphasising clear allocation of responsibility a while warning that exemptions could create data gaps.
178. Trading venues and CCPs strongly supported aligning obligations with market roles and risk profiles, calling for single-sided reporting and removal of unclear requirements.
179. Energy sector participants favoured reduced requirements for non-financial and low-risk firms, often suggesting intermediaries handle technical obligations.
180. TRs and DRSPs endorsed simplification and harmonisation, while data vendors were more focused on standardisation and interoperability.
181. Public authorities were more cautious, stressing that proportionality must not undermine supervisory effectiveness and supporting data field reviews only where supervisory needs are met.
182. Finally, lending and issuer respondents supported proportionality and raised technical concerns related to identifiers and specific transaction types.

5.3.3 Key takeaways and next steps

183. Stakeholder feedback makes clear that changing the frequency of reporting is not perceived as a substantial means of reducing the reporting burden. The current daily reporting frequency is well established, widely accepted, and has proven effective for supervisory purposes. Many respondents cautioned that introducing new rules to modify reporting frequency could actually increase complexity and operational burden, as firms would still need to maintain their systems, processes, and staff to meet ongoing requirements. As a result, ESMA does not prioritise changes to reporting frequency at this stage. However, ESMA will continue to analyse, at a technical level in future stages, whether such modifications could be incorporated if justified by future evidence or needs.
184. Regarding proportionality, ESMA has consistently embedded risk-based and proportionality measures in its legislative work, tailoring requirements to the size, complexity, and risk profile of entities wherever possible. This principle will remain central to future regulatory changes. In particular, ESMA will focus on two areas highlighted by stakeholders as key cost drivers: dual-sided reporting and back-reporting requirements. The ongoing CBA will assess in detail the costs associated with dual-sided reporting (see Section 6.1), identified as a major source of operational burden, and will also evaluate the impact of reducing back-reporting requirements, such as shortening the period from the current five years.
185. Additionally, the CBA will analyse costs by sector, aiming to better understand the different cost drivers and cost structures faced by various types of market participants. This sectoral analysis may inform further proportionality considerations, ensuring that future changes are appropriately calibrated for different entity sizes and business models.

186. While some respondents suggested that reducing the number of reporting fields could be a useful proportionality measure, this is considered outside the immediate scope of the current review. Nevertheless, ESMA will conduct a thorough analysis of required data fields and their actual use in accordance with the information scope principle (see Section 4.1) during the implementation phase, with the goal of simplifying and streamlining reporting requirements wherever possible.

187. In summary, ESMA intends to:

- Maintain the current reporting frequency.
- Continue to apply and explore proportionality and risk-based measures in future regulatory changes.
- Assess, through the ongoing CBA, the costs of dual-sided reporting and back-reporting, as well as sector-specific cost drivers.
- Analyse the necessity and use of reporting fields during Level 2 implementation, aiming for further simplification.

6 Qualitative analysis of cost-related questions

6.1 Dual-sided reporting revision

6.1.1 Background

188. The dual-sided reporting obligations are embedded in both EMIR and SFTR and, with some exceptions, represent a distinctive feature of reporting within the EU framework²³.

189. The possibility of reviewing dual-sided reporting was included as a proposal across all options presented in the CfE, effectively making it a standalone element regardless of the option ultimately adopted. It is important to highlight that the CfE referred to a “review” or “revision” rather than a direct removal of the requirement.

190. Based on the feedback received, any such review should ensure that the original objectives underpinning the implementation of dual-sided reporting are still met through alternative measures, which, on balance, result in a meaningful reduction in reporting costs. Among other considerations, data quality, the ability of competent authorities to verify reported information, filling data gaps, and the monitoring of certain types of risks (e.g. intermediation chains and risk transfers within derivatives markets) benefit from the dual-sided reporting framework.

²³ The CfE focused on dual-side revision under EMIR/SFTR although MiFIR also mandates the reporting of two sides of a single transaction for specific use cases and entities.

191. At the same time, these objectives have been undermined in practice by poor pairing and matching rates, as well as a significant number of transactions subject to dual-sided reporting where one side of the transaction is not reported, as noted in the High-level impact analysis included in the CfE.
192. The CfE aimed to identify the sources of cost associated with dual-sided reporting under EMIR and SFTR and assess its impact, both in terms of potential savings and the additional measures that would be required to ensure the continued achievement of its objectives.
193. Given the substantial volume of transactions subject to this requirement, its revision or replacement with alternative measures could result in immediate cost relief and may also align with reporting practices in other jurisdictions.

6.1.2 Feedback to the CfE (Q22)

194. Stakeholders identify reconciliation as the main cost driver of dual-sided reporting, due to the effort needed to match submissions, resolve breaks, and manage systems and staffing, burdens that fall disproportionately on smaller firms. Exchanging UTIs and coordinating pre-report data add further complexity, while IT costs remain significant despite expectations of gradual decline.
195. Almost all respondents consider review of dual-sided reporting a major cost-saving opportunity, reducing operational overhead and aligning the EU with other international standards. Some consider dual-sided reporting to offer little added value, especially when reporting duties are delegated.
196. However, stakeholders also warn that eliminating dual-sided reporting and linked reconciliation could weaken data quality, create uncertainty about reporting responsibility, and increase risks of under- or mis-reporting. Several emphasise that any single-sided model would require clear rules, harmonised audits, and safeguards to avoid identified risks, while others view it as a vital integrity check providing independent data for supervision and EMIR Article 11 risk controls. Opponents caution that removing dual-sided checks may complicate enforcement, increase reliance on major entities, create concentration risks, and require new supervisory mechanisms that may offset expected savings.
197. Most respondents support a single-sided reporting model, where the responsibility to report is assigned to the more sophisticated counterparty (dealer, venue, CCP or seller), which is seen as clearer and more efficient. Yet no consensus exists on the exact design. Some propose hybrid models, retaining dual-sided reporting or limited matching for specific cases, or focusing reconciliation on just key fields.

Sector analysis

198. Views broadly align with buy-side and sell-side largely supporting a shift (though with differing emphasis), trading venues/CCPs seeing benefits in simplification, TRs/DRSPs

offer mixed positions, while public authorities strongly opposing removal due to supervisory and financial-stability needs. Other sectors show mixed or hybrid preferences and flag considerations such as including SFTR in the scope of the simplification exercise for dual-sided obligations.

6.1.3 Key takeaways and next steps

199. ESMA acknowledges the strong call from industry for a revision of dual-sided reporting, recognising that it imposes a significant operational and financial burden on firms. The substantial feedback received has been instrumental in identifying reconciliation costs as the primary driver of this burden. Stakeholders also provided valuable perspectives on alternatives to a strict single-sided reporting model, noting the supervisory and data quality value of dual-sided reporting, while highlighting the need for more efficient solutions.
200. ESMA emphasises that any move towards a single-sided reporting model, or a revision of dual-sided requirements, must not undermine the principle of preserving information value, which remains a cornerstone for the supervisory community, and the focus on the quality of the data reported. At the same time, the feedback indicates that there are alternative approaches that could significantly alleviate the reporting burden without compromising this principle. Based on the feedback, ESMA also recognises the need for greater clarity regarding proposed changes to the dual-sided model.
201. In light of the feedback received, ESMA will assess as part of its CBA, the impact of expanding the delegation capabilities currently included in Article 9(1a) of EMIR and Article 4(3) of SFTR to cover all sectors based on predefined rules²⁴. ESMA will also consider the removal of reconciliation requirements as an intermediate step to significantly reduce the associated burden. To clarify, the CBA will assess the removal of transaction reporting reconciliation obligations at TR-level, while maintaining portfolio reconciliation obligations for risk mitigation purposes. This approach guarantees the preservation of the information currently available by supervisors and other authorities while providing immediate relief in terms of cost for reporting firms. At the same time, the expansion of delegation arrangements does not remove the need to have a communication mechanism between counterparties to align internally held data and ensure accurate reporting.
202. This proposal will be carefully evaluated in the CBA to ensure that any changes strike the right balance between reducing operational costs and maintaining the quality and scope of supervisory information.

6.2 EMIR (Q25-Q26)

203. Stakeholders across the sell side, buy side, trading venues/CCPs, and the energy sector broadly indicated substantial and complex one-off EMIR implementation costs, with wide variation by firm size, business model, and reporting setup. Common cost drivers include IT development, system redesigns, integration with TRs, reconciliation and

matching processes, consultancy and legal support, and project staffing. Smaller firms consistently highlight disproportionate burdens and difficulties in separating one-off from ongoing expenses due to continuous regulatory change. Larger entities note that costs are hard to isolate across regimes, but some efficiency gains arise from global harmonisation and shared reporting infrastructures. Precise quantitative figures are not always available, particularly for sectors with heterogeneous operations or multi-year implementation programmes. Figures and detailed quantitative estimates will be provided as part of the CBA analysis that will be included in the Final Report.

204. Stakeholders across the sell side, buy side, trading venues/CCPs, and the energy sector consistently report significant recurring costs linked to EMIR reporting. These stem mainly from IT systems, reconciliation processes, staff time, external service providers, and audit/compliance obligations. Many emphasise that dual-sided reporting and frequent regulatory updates materially increase the operational burden, especially for smaller firms and non-financial participants.
205. Across all groups, respondents highlight that ongoing reporting costs extend well beyond TR fees, covering IT maintenance, data processing, training, administrative work, and support for continuous regulatory change. Reconciliation and oversight are repeatedly cited as key cost drivers, with many firms relying on external providers. Several note that costs are shaped by business models, membership structures, and the degree of alignment, or misalignment, with non-EU regimes.
206. Energy-sector participants also underline the constant resource demands of dual-sided reporting, reconciliation, data validation, IT upkeep, and internal/external audits, stressing that non-financial entities face particularly disproportionate burdens.
207. These stakeholder insights are complemented by the CBA, which quantifies the key cost drivers, ensures cross-sector comparability, and validates or refines the qualitative evidence gathered through this summary. Figures and detailed quantitative assessments are provided in the CBA.

6.3 MiFIR (Q27-Q28)

208. Approximately thirty respondents provided feedback on the one-off and ongoing costs associated with MiFIR transaction reporting. Overall, respondents indicated that implementing MiFIR reporting required substantial legal, IT, operational, and governance investments. The magnitude of costs varied considerably across sectors and firm sizes, with the largest firms incurring multimillion-euro programmes and smaller firms relying more heavily on outsourced solutions.
209. Respondents explained that one-off costs mainly resulted from the need to redesign system architecture, integrate reporting interfaces, construct validation and enrichment logic, implement new data pipelines, develop control frameworks, and train staff. Although some respondents considered MiFIR reporting less complex than EMIR reporting regimes,

many stressed that the high volume of transactions under MiFIR created considerable challenges, especially in ensuring accurate, complete, and timely submissions.

210. Sell-side respondents report substantial one-off and ongoing costs. They highlighted the need for extensive system development, use of external vendor services, and dedicated staff to manage reporting processes.
211. Costs varied widely by size and business model. Many firms noted the need to upgrade or build systems to support reporting obligations and maintain robust reconciliation and control functions. Smaller firms often rely on outsourcing, which reduces internal build out but still carries significant external costs.
212. Trading venues and CCPs respondents described wide ranging implementation and ongoing obligations involving legal assessments, compliance reviews, substantial IT development, and extensive communication with participants. Some indicated cost levels in the low double digit million euros range to establish full reporting capabilities.
213. UCITS management companies and AIFMs are generally not subject to Article 26 reporting for the relevant activities and therefore do not incur the same type of expenditure as directly reporting firms. Nonetheless, respondents noted that they must supply accurate and complete information to reporting counterparties, which still requires internal resources and system adjustments.
214. Energy sector respondents described notable cost impacts linked to the need to integrate transaction reporting requirements into existing trading and risk management systems, and to establish interfaces with reporting mechanisms. Some indicated that implementing a complete reporting framework would involve expenditure in the order of several million euros.
215. Reporting costs per transactions seem to vary significantly across reporting entities. One noted that some costs are fixed and not entirely related to the number of transactions. The ongoing cost of MiFIR reporting primarily stems from ARM fees, IT system support, data processing, and internal reconciliation. Regular updates to reporting standards, coupled with data quality controls and audit requirements, create a continuous operational and financial burden.
216. One respondent noted that training and regulatory knowledge update also costs significant amounts, as well as emergency management costs (i.e. in case of need for error correction or resubmissions) and administrative/risk-management costs (monitor regulatory requirements and adapt internal procedures).
217. Some respondents indicated that annual budgets for ongoing reporting activities represent a significant operational expense and that costs tend to be highly concentrated among a small number of DRSPs. Stakeholders emphasised that all transaction reports must be submitted through ARMs, that post-trade transparency requires the use of APAs, and that regulatory fees contribute to overall expenditure.

218. Buy-side stakeholders noted that using an ARM involves both fixed and variable components linked to processing capacity and reporting volumes, while post-trade transparency obligations require entities exceeding certain trading activity thresholds to rely on APA services. Respondents also highlighted that fixed regulatory fees, such as those introduced by ESMA for transaction reporting and post-trade transparency, form part of the cost structure faced by reporting entities.

219. Some respondents noted that the cost profile under MiFIR is shaped less by per-transaction variables and more by fixed annual charges levied by a limited number of ARMs and APAs, and that this creates a disproportionate burden for those with low volumes of transactions.

6.4 Additional cost lines (Q29)

220. This Section aims to identify additional cost lines at a detailed level, beyond the categories already discussed in previous questions. Please note that the identification of these cost lines, while somewhat related to the challenges outlined in Section 3, is focused on quantitative aspects not previously addressed. To maintain clarity, we have excluded elements already covered in Section 3 where stakeholders largely concur with the primary challenges.

221. Most of the respondents largely agree with the ongoing and one-off cost lines identified in the CfE while proposing additional cost factors that can be easily included as part of the categories already outlined.

222. Indirect and opportunity costs, such as maintaining parallel IT systems, adapting to new templates, and managing misreporting risks, are widely noted.

223. Other recurring cost lines identified include:

- Dependence on external service providers for data quality, remediation, and delegated reporting oversight.
- Costs of multiple system interfaces, schema maintenance, validation logic, and duplicative workflows across regimes.
- Administrative burdens from control frameworks, audits, misreporting, and reconciliation processes.
- Warnings about including additional audit requirements (notably to substitute dual-sided obligations), already present in some national laws, may be disproportionate, and increase cost for certain participants.
- Some also noted the cost linked to the familiarisation with specific exemptions.
- Expenses linked to identifiers (LEI renewals, ISIN allocations, UPI usage), and the reliance of National identifiers is also noted as source of cost.

- Recurring and ad hoc queries from NCAs.
- Concerns about divergent EU requirements creating competitive disadvantages compared to jurisdictions with simplified models, also noting that diverging requirements between jurisdictions, such as between the EU and UK, could undermine anticipated cost savings from simplification efforts.
- Some stakeholders called, in general, for greater standardisation and centralisation to reduce duplication and facilitate interoperability.

224. Finally, some respondents provided quantitative cost estimates for reform option that will be duly considered as part of the CBA.

6.5 Investments and transition costs (Q30)

225. The report includes below the main feedback received during the CfE, noting that all of this feedback will be included as part of the CBA process, which will provide a detailed analysis of one-off and ongoing costs for the options considered

226. Respondents broadly agree that all reform Options, 1a, 1b, 2a, and 2b, will involve both one-off and ongoing costs, though the scale and nature of these costs vary significantly depending on the option chosen and the size and structure of the reporting entity. Option 1a, which focuses on removing duplication without a wholesale overhaul, is generally seen as requiring moderate, front-loaded investments. These include IT adaptations, staff training, and temporary management of dual systems. While these costs are considered manageable, the benefits, primarily early relief through duplication removal, are considered to be realised relatively quickly. As mentioned earlier in Section 4.4.3, many stakeholders assumed no changes to the schemas under Option 1a, which may have led them to underestimate the effort required for its implementation.

227. Option 1b is viewed as more complex and costly in the short-term and with very limited, if any, savings in the long-term. Maintaining dual flows and reconciliation frameworks during the transition temporarily increases operational and IT costs before simplification benefits emerge. One-off costs for this Option can be significantly higher than for 1a, sometimes reaching several hundred thousand euros.

228. Options 2a and 2b are recognised as requiring the highest upfront investments but also with the greater potential to achieve savings in the long-term. These Options involve complete system redesign, harmonised data models, and extensive process integration, with 2b adding multi-regime coordination across sectors. For medium-sized entities, one-off costs are estimated in the hundreds of thousands of euros, while for large institutions, they can reach several million or even tens of millions. Although ongoing costs are expected to decrease substantially once the new systems are established, thanks to reduced duplication and unified reporting flows, the transition is resource-intensive. A minority of respondents caution that for smaller firms; these Options may have a limited impact in terms of savings with substantial one-off cost for the implementation. Authorities

themselves will also face costs related to IT infrastructure changes and the need to build up data expertise.

Breakdown of costs

229. One-off costs commonly cited include IT system upgrades and integration, legal and consulting fees for rule interpretation and compliance reviews, staff training and change management, testing, and quality assurance, decommissioning of legacy systems, and project management expenses, including external vendor costs. Ongoing costs cover maintenance of new or adapted IT systems, compliance monitoring, fees to TRs and approved reporting mechanisms, staff time for reconciliation and oversight, and periodic updates to accommodate future regulatory changes. Some respondents have provided quantitative estimates and provided cost surveys that were submitted separately.

Estimated cost savings per transaction

230. Most respondents expect that average cost savings per transaction will improve as duplication is reduced, reconciliation burdens decline, and reporting becomes more automated and standardised. For Option 1a savings per transaction are perceived as very limited but immediate, mainly from better management of responsibilities and removal of dual-sided reporting. In Option 1b, the Scenario's complexity and anticipated costs offset any potential savings. For Options 2a and 2b, the realised savings are considerably greater; however, these benefits generally become evident following the upfront investment and subsequent system stabilisation, which usually occurs two to three years after implementation.

Additional insights

231. Many buy-side respondents stress that assigning reporting obligations to dealers, trading venues, or CCPs, rather than asset managers, would minimise implementation costs for the buy side.

232. A minority caution that extending reporting obligations to new entities could create significant new costs and require entirely new reporting regimes.

233. There is broad support for a comprehensive CBA and phased implementation, particularly to accommodate smaller firms.

6.6 Key takeaways and next steps (Q25-Q30)

234. ESMA underscores that cost-related feedback received through the CfE has been transmitted to the external consultant appointed to conduct a cost-benefit analysis.

235. The purpose of engaging an independent entity is to ensure a balanced, methodologically robust assessment, capable of integrating the perspectives collected through the CfE with additional input from stakeholders that were less represented in the consultation.

236. This approach guarantees that the quantitative and qualitative evidence informing the final recommendations reflects not only the views expressed in the CfE, but also a broader and more representative cross-section of market participants.
237. The consultant's analysis will enhance and expand upon the preliminary findings outlined in this Interim Report, with the results comprehensively incorporated into the Final Report to further reinforce the recommendations therein.
238. ESMA will also conduct a CBA with competent authorities, at both European and Member State level, to understand the impact of the different scenarios from the perspective of users of the data.

7 Annex

7.1 Commission mandate under Article 26(11)

MiFIR Article 26(11)

11. By 29 March 2028, ESMA shall submit to the Commission a report assessing the feasibility of **more integration in transaction reporting and streamlining of data flows** pursuant to this Article to:

(a) reduce **duplicative or inconsistent requirements for transaction data reporting**, and in particular duplicative or inconsistent requirements laid down in this Regulation and Regulations (EU) No 648/2012 and (EU) 2015/2365, and in other relevant Union legal acts;

(b) **improve data standardisation and efficient sharing and use of data** reported within any Union reporting framework by any relevant authority at Union or national level.

When preparing the report, ESMA shall, where relevant, work in close cooperation with the other bodies of the European System of Financial Supervision and the European Central Bank.