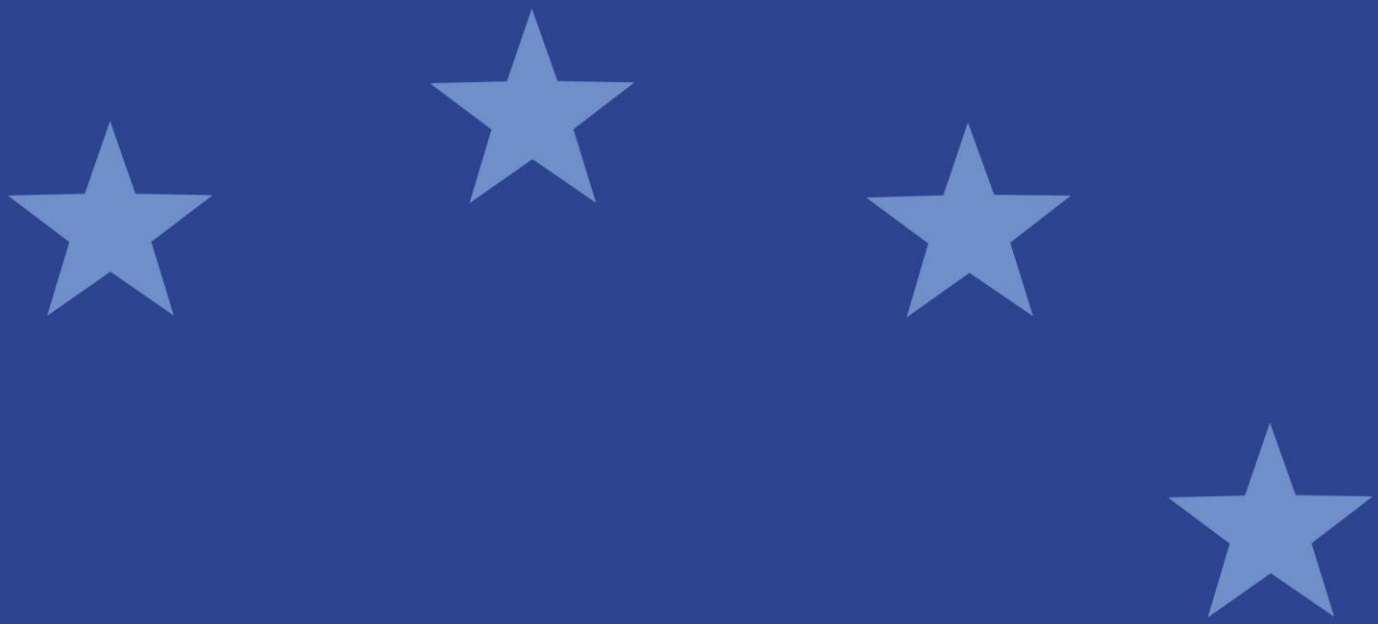
esma European Securities and Markets Authority

Consultation paper

Draft Guidelines for reporting under EMIR



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Responding to this paper

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

- Respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all comments received by 30 September 2021.

All contributions should be submitted online at www.esma.europa.eu under the heading 'Your input - Consultations'.

Publication of responses

All contributions received will be published following the close of the consultation unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

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

Who should read this paper

All interested stakeholders are invited to respond to this consultation. In particular, responses are sought from financial and non-financial counterparties to derivatives, central counterparties (CCPs) and trade repositories (TRs), as well as from all the authorities having access to the TR data and any other interested stakeholder.

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1 Legislative references, abbreviations and definitions

Legislative references

EMIR	Regulation (EU) 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories -European Market Infrastructures Regulation[1]
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 [2] – Securities Financing Transactions Regulation
Draft RTS on reporting	Commission Delegated Regulation (EU) No YYYY/XXX of … supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards specifying the minimum details of the data to be reported to trade repositories and repealing Commission Delegated Regulation (EU) No 148/2013[3]
Draft ITS on reporting	Commission Implementing Regulation (EU) No YYYY/XXX of ……. laying down implementing technical standards for the application of Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories, with regard to the standards, formats, frequency and methods and arrangements for reporting and repealing Implementing Regulation (EU) No 1247/2012[4]

[1] OJ L 201, 27.7.2012, p.1
[2] OJ L 337, 23.12.2015, p.1
[3] The Draft RTS on reporting, adopted by ESMA on 17/12/2020 (ESMA74-362-824) are submitted to the European Commission for endorsement. In accordance with Article 10 of Regulation (EU) No 1095/2010, the European Commission has to decide whether to endorse the draft technical standards within 3 months, or inform the European Parliament and the Council, in due time, where the adoption cannot take place within the three-month period.
[4] The Draft ITS on reporting, adopted by ESMA on 17/12/2020 (ESMA74-362-824) are submitted to the European Commission for endorsement. In accordance with Article 15 of Regulation (EU) No 1095/2010, the European Commission has to decide whether to endorse the draft technical standards within 3 months (European Commission can extend that period by one month), or inform the European Parliament and the Council, in due time, where the adoption cannot take place within the three-month period.

RTS on registration	Commission Delegated Regulation (EU) No 150/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories with regard to regulatory technical standards specifying the details of the application for registration as a trade repository, as amended by Commission Delegated Regulation (EU) 2019/362 of 13 December 2018 [5] and by draft RTS on registration
Draft RTS on data quality	Commission Delegated Regulation (EU) No YYYY/XXX of….. supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories, with regard to regulatory technical standards specifying the procedures for the reconciliation of data between trade repositories and the procedures to be applied by the trade repository to verify the compliance by the reporting counterparty or submitting entity with the reporting requirements and to verify the completeness and correctness of the data reported[6].
RTS on data access	Commission Delegated Regulation (EU) No 151/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories, with regard to regulatory technical standards specifying the data to be published and made available by trade repositories and operational standards for aggregating, comparing and accessing the data, as amended by Commission Delegated Regulation (EU) 2017/1800 and by Commission Delegated Regulation (EU) 2019/361, as amended by the draft RTS on data access[7].

[5] OJ L 52, 23.2.2013, p. 25

[6] The Draft RTS on procedures for ensuring data quality, adopted by ESMA on 17/12/2020 (ESMA74-362-824) are submitted to the European Commission for endorsement. In accordance with Article 10 of Regulation (EU) No 1095/2010, the European Commission has to decide whether to endorse the draft technical standards within 3 months, or inform the European Parliament and the Council, in due time, where the adoption cannot take place within the three-month period.

[7] The Draft RTS on data access, amending the RTS on data access and adopted by ESMA on 17/12/2020 (ESMA74-362-824) are submitted to the European Commission for endorsement. In accordance with Article 10 of Regulation (EU) No 1095/2010, the European Commission has to decide whether to endorse the draft technical standards within 3 months, or inform the European Parliament and the Council, in due time, where the adoption cannot take place within the three-month period.

Abbreviations

CFI code	Classification of Financial Instruments code
CM	Clearing Member
CCP	Central Counterparty
CP	Consultation paper on Guidelines on Reporting under EMIR
CP on RTS/ITS	Consultation paper on the technical standards on reporting, data quality, data access and registration of TRs under EMIR REFIT[8]
CPMI	Committee on Payments and Market Infrastructures
EC	European Commission
ECB	European Central Bank
EEA	European Economic Area
ERR	Entity responsible for reporting
ESCB	European System of Central Banks
ESMA	European Securities and Markets Authority
EU	European Union
FSB	Financial Stability Board
IOSCO	International Organisation of Securities Commissions
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
ITS	Implementing Technical Standards
LEI	Legal entity identifier
MIC	Market identifier code
NCA	National Competent Authority

[8] https://www.esma.europa.eu/sites/default/files/library/esma74-362-47_cp_on_the_ts_on_reporting_data_quality_data_access_and_registration_of_trs_under_emir_refit.pdf

OJ	The Official Journal of the European Union
OTC	Over-the-counter
Q&A	Questions and Answers
RSE	Report submitting entity
RTS	Regulatory Technical Standards
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TR	Trade repository
UTI	Unique Transaction Identifier
XML	Extensible Mark-up Language
XSD	XML Schema Definition

2 Executive Summary

Reasons for publication

This Consultation Paper (CP) seeks stakeholders' views on key elements of future ESMA Guidelines on reporting under EMIR. These Guidelines will complement the EMIR technical standards on reporting, data quality and data access[9] by providing clarifications on the reporting scheme which aim to ensure the consistent implementation of the EMIR reporting rules. Respondents to this CP are encouraged to provide the relevant information to support their arguments or proposals.

Contents

This Consultation Paper includes draft guidelines on a wide set of topics related to reporting, data quality and data access under EMIR Refit. With regards to reporting, this paper provides clarifications concerning responsibility for reporting, reporting logic and the correct population of fields for different reporting scenarios and different products. With regards to the data quality, the procedures to be implemented by the reporting entities and by the TRs are clarified. Concerning data access, this paper clarifies certain operational aspects.

This paper is split into different sections. Section 3 addresses the scope of the Guidelines and Section 4 outlines their purpose. Section 5 refers to the general principles that apply to EMIR reporting, including how the reports should be constructed and in what circumstances. It provides high-level approaches to reporting, references to different action and event types to be used for reporting, guidance on reportability[10] of derivatives, clarifications on reporting in the case of voluntary delegation as well as under provisions on allocation of responsibility on reporting. Finally, it provides clarifications on the population of specific sections of fields.

Section 6 gathers clarifications covering reporting of specific products. These clarifications are accompanied by tables and extract from XML schemas, illustrating population of key fields relevant for such products.

Section 7 refers to the tables of fields to be reported under EMIR, explaining how the relevant fields for particular topics should be reported under multiple use cases. For each example in this section there is also a corresponding table of relevant fields and the expected XML-text rendering.

Finally, section 8 contains guidance relevant i.a. for the Trade Repositories and covers topics such as generation of the Trade State Report, reconciliation, feedback on data quality and authorities' access to data.

Next Steps

The consultation will be open until 30 September 2021. In Q4 2021 ESMA will consider the feedback it receives to this consultation. ESMA will publish the final report on the Guidelines

on Reporting under EMIR after the adoption of the draft RTS and ITS on reporting by the European Commission. ESMA expects to be in a position to publish the final report on these Guidelines towards end of 2021 or early 2022.

[9] The Draft RTS on reporting, Draft ITS on reporting, Draft RTS on registration of TRs, Draft RTS on data quality, Draft RTS on data access, adopted by ESMA on 17/12/2020 (ESMA74-362-824) are submitted to the European Commission for endorsement. In accordance with Article 10 of Regulation (EU) No 1095/2010, the European Commission has to decide whether to endorse the draft technical standards within 3 months, or inform the European Parliament and the Council, in due time, where the adoption cannot take place within the three-month period.

[10] where 'reportable' should be understood as required to be reported

3 Scope

Who?

1. These Guidelines will apply to financial and non-financial counterparties to derivatives as defined in Articles 2(8) and 2(9) of EMIR, to trade repositories as defined in Article 2(2) of EMIR and to competent authorities.

What?

2. These Guidelines will apply in relation to the derivatives reporting obligation as stated in Article 9 of EMIR and the TR obligations under Articles 78 and 81 of EMIR.

When?

3. The proposed Guidelines included in this CP clarify provisions of the draft ITS and RTS on reporting that were submitted to the European Commission on 16 December 2020. Any potential changes to the draft ITS and RTS on reporting will need to be reflected in the Guidelines. Therefore the Final Report on Guidelines will only be published after the adoption of the delegated acts incorporating the technical standards by the European Commission.
4. These Guidelines will apply from the [insert date of application of the technical standards referred to in Article 9 of the draft RTS on reporting].

4 Purpose

5. These proposed Guidelines are based on Article 16(1) of ESMA's Regulation. They fulfil several purposes with regards to the harmonisation and standardisation of reporting under EMIR. This is key to ensure high quality of data necessary for the effective monitoring of the systemic risk. Furthermore, increased harmonisation and standardisation of reporting allows to contain the costs along the complete reporting chain - the counterparties that report the data, the TRs which put in place the procedures to verify the completeness and correctness of data, and the authorities, defined in Article 81(3) of EMIR which use data for supervisory and regulatory purposes. The proposed Guidelines provide clarifications on the following aspects:
    - transition to reporting under the new rules,
    - the number of reportable derivatives,
    - intragroup derivatives exemption from reporting,
    - delegation of reporting and allocation of responsibility for reporting,
    - reporting logic and the population of reporting fields,
    - reporting of different types of derivatives,

- guidance which aim to enusre high data quality by the counterparties and the TRs,
- construction of the Trade State Report and reconciliation of derivatives by the TRs,
- data access.

5 General Principles

5.1 Transition to reporting under the draft RTS and ITS on reporting

6. All the reports submitted by the counterparties to the TRs after the start of reporting under the revised technical standards will have to comply with the amended requirements. This concerns in particular the reports of derivatives concluded after the reporting start date but also any modifications or terminations reported after that date, irrespective of when the derivative that is modified or terminated was concluded.

7. Furthermore, in accordance with the Article 10(2) of the draft ITS on reporting, the counterparties should update all their outstanding derivatives to conform with the revised reporting requirements within 180 calendar days of the reporting start date by submitting a report with event type 'Update', unless they have submitted a report with the action type 'Modify' or 'Correct' for such derivatives within this period (given that 'Modify' and 'Correct' will be full messages, thus reporting of a modification or a correction of the derivative will require provision of all relevant details of that derivative). If the counterparty does not report within the 180-day transition period any modification or any correction of the derivative, it should submit a report using combination of action type 'Modify' and event type 'Update', populating all the relevant details in accordance with the draft RTS and ITS on reporting . Even if a counterparty reports daily collateral and valuation updates, but no modification or correction was reported during transition period for a given derivative, the counterparty should update that derivative, given that collateral and valuation update reports contain only a limited set of reportable details. If the derivative matures or is terminated during the transition period, counterparties do not need to send the report with action type 'Update' when no reportable modification took place.

8. All outstanding derivatives, both at a trade and at a position level, should be updated. The derivatives at trade level that were included in a position are not outstanding and therefore should not be updated. Only the corresponding derivative at position level should be updated, to the extent it is outstanding on the reporting start date.

9. If a counterparty reopens a not-updated derivative with action type 'Revive', either during the transition period or afterwards, it should provide all relevant details of the derivative as of the date of the Revival as in any other 'Revive' report.

10. For the avoidance of doubt, any conclusion, modification or termination of a derivative occurring after the reporting start date, should be reported accordingly by the end of the next working day (T+1), also if it occurs during the 6-month transition period.The transition period does not impact in any way the obligation under Article 9 of EMIR to report the relevant events by T+1.

11. It is recognised that the counterparties may update the outstanding derivatives in different points in time of the transition period. NCAs and ESMA are aware that this will have an impact on the reconciliation of these derivatives during the transition period. TRs should nevertheless include all outstanding derivatives in the reconciliation process, irrespective whether they have been updated or not.

12. While – due to the transition period - it is generally not necessary to update the outstanding derivatives immediately after the application of the revised technical standards, it should be kept in mind that any reportable lifecycle event will need to be reported in line with the revised requirements. This means that in practice some derivatives will be updated on day one, by virtue of submitting a report of the lifecycle event. This concerns in particular the derivatives at position level.

13. . The counterparties should not create a new UTI for outstanding derivatives, even if the original UTI is not fully compliant with e.g. new format requirements under the revised technical standards. Similarly, the TRs should follow the validation rules in this regard and should not reject reports due to UTIs that are not fully compliant with the new requirements for those derivatives that were concluded before the reporting start date of the revised technical standards.This is because the massive regeneration of UTIs for outstanding derivatives could create significant operational challenges as well as blur the data available to the authorities.

14. The counterparties should use the same XML schema compliant with the revised reporting requirements, for all their derivatives reporting to the TRs, given that all reports of new derivatives and of lifecycle events are expected to be submitted in line with the revised requirements. The same XML schema will be used by the TRs to provide trade activity reports to the authorities. During the transition period the TRs should provide the Trade State Report to the authorities using a relaxed version of that XML schema (i.e. a version with fewer restrictions and validations) which accommodates for the non-updated derivatives.

Q1. Are there any other clarifications that should be provided with regards to the transition to reporting under the revised technical standards?

5.2 Determining the number of reportable derivatives

5.2.1 Reportable products

15. EMIR Article 9(1) states that “counterparties and CCPs shall ensure that the details of any derivative contract they have concluded and of any modification or termination of the contract are reportedto a trade repository […]”. A derivative contract or derivative is defined in EMIR Article 2(5) as a financial instrument as set out in points (4) to (10) of Section C of Annex I to MiFID. In the last few years several uncertainties have been raised with regards to the qualification as derivatives of certain contracts. This section aims to provide clarification to market participants taking into account the current state of the regulations.

Currency derivatives

16. MIFID RTS on organisational requirements for investment firms[11] clarifies in its Article 10 the characteristics of other derivative contracts relating to currencies which allows to differentiate between spot contracts that are not derivatives and forward contracts that are derivative contracts. In principle, and more particularly for major currency pairs, a FX contract is considered a derivative if the delivery is scheduled to be made at least 3 days after the execution of the contract, while under some circumstances this limit may be extended based on standard market practices. Based on the above elements, forward FX contracts are reportable under EMIR while spot FX contracts are not.

17. As an illustration a FX contract selling X EUR and purchasing Y USD traded on Monday 4 January 2021 and settling on Thursday 7 January 2021 is a forward contract and reportable under EMIR. A similar FX contract traded on Monday 4 January 2021 and settling on Wednesday 6 January 2021 is a spot contract and not reportable under EMIR.

18. A FX contracts selling X EUR and purchasing Z ZAR traded on Monday 4 January 2021 and settling on Wednesday 6 January 2021, for which the transaction is carried out in order to purchase an equity traded on the JSE[12] with a T+3 settlement cycle is not a derivative and thus not subject to reporting under EMIR based on the fact that when a FX contract is linked to the purchase of transferable securities or units of collective investment undertaking, it is considered as a derivative when the delivery is made after the delivery period of the market where the transferable securities or units in an undertaking for collective investment in transferable securities (UCITS) are traded or after 5 days, whichever is the shorter.

19. For swaps, at first cross currency swaps and FX swaps are to be distinguished. Cross currency swaps are contracts that contain both an interest rate factor and a currency factor. They are considered as interest rate derivatives and should be reported as such under EMIR. FX swaps to the contrary only entail a FX factor (i.e. in general no interim payments occur). FX swap is a derivative composed of 2 legs, a near leg and a far leg. Regardless whether the near leg is a spot or a forward, the FX swap should be reported as a single rather than as a combination of derivativesderivativ. Further details on how these derivatives should be reported are contained in section 6.4.

20. With regards to other types of currency derivatives: options, futures, contracts for difference and FRAs, no significant uncertainty has been raised to ESMA.

Q2. Are there any additional aspects to be considered with regards to the eligibility to reporting of currency derivatives?

Q3. Are there any aspects to be clarified with regards to the rest of contract types of currency derivatives? Please provide the relevant examples.

Derivatives on crypto-assets

21. Only derivatives on crypto-assets that fulfil the definition of derivatives under EMIR are expected to be reported.

[11] Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive (Text with EEA relevance.)

[12] Equity Market Risk Management | Johannesburg Stock Exchange (jse.co.za)

22. For the reporting of the details of derivatives, counterparties shall rely on the regulatory framework that is applicable. Therefore, if the derivative on a crypto-asset is considered as a financial instrument under MiFID, it should be reported in accordance with its features.

23. In case where a counterparty enters a derivative contract with a crypto-asset as the underlying, it should populate the field 2.12 “Derivative based on crypto-assets” with “True”.

Q4. Are there any additional aspects to be considered with regards to the eligibility for reporting of the derivatives on crypto-assets? Please provide the relevant examples.

Total return swaps, liquidity swaps or collateral swaps (in relation to SFTR)

24. Some obligations related to total return swaps (TRS) are included in SFTR, notably in Chapter IV relating to Transparency towards investors. Nevertheless, TRS are derivatives and thus are reportable under EMIR and not under SFTR. The definition in Article 3(18) of SFTR clearly states that a TRS “means a derivative contract as defined in point (7) of Article 2 of Regulation (EU) No 648/2012 in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty.” It is to be noted that depending on the underlying, TRS are to be reported either as credit derivatives or as equity derivatives. Details on how these are to be reported can be found in sections 6.7 and 6.8.

25. Furthermore, Recital 7 of SFTR clarifies that some “transactions that are commonly referred to as liquidity swaps and collateral swaps, which do not fall under the definition of of derivative contracts” under EMIR, are included in the scope of SFTR. These contracts are not reportable under EMIR.

Q5. Are there any additional aspects to be considered with regards to the eligibility for reporting of Total Return Swaps, liquidity swaps, collateral swaps or any other uncertainty with regards to potential overlap between SFTR and EMIR? Please provide the relevant examples.

Complex contracts

26. In the case of contracts stemming from another contract (e.g. option on a future), the first contract ceases to exist before giving rise to the second one which is materially different from the first one. The two contracts should be reported separately i.e. the second one should only be reported once the first contract is terminated. Therefore, even though the two contracts are connected in the way they come into existence, they should be reported in two separate reports.

27. In the case where a derivative has two or more legs (e.g. a single derivative contract representing a strategy that has the features of several contracts), all legs of the contract should be reported in one report, where the combination of fields allows for this. Otherwise, a report per leg should be submitted and those reports should be linked by using the same “package identifier in Field 2.6.

Q6. Are there any additional aspects to be considered with regards to the eligibility for reporting of complex derivative contracts? Please provide the relevant examples.

Market transactions that do not fall under the definition of a derivative

28. The following transactions do not fall under the definition of a derivative under EMIR and thus should not be reported under EMIR:

    a. Financial instruments with embedded derivatives (e.g. convertible bonds): some financial instruments are issued with features that could be considered as derivatives embedded in the structure of the instrument itself. This is for instance the case of convertible bonds which according to Table 2.2 of Annex III of RTS 2017/583 "means an instrument consisting of a bond or a securitised debt instrument with an embedded derivative, such as an option to buy the underlying equity".

    b. Structured finance products or structured products are defined in Article 2(1)(28) of MiFIR as "those securities created to securitise and transfer credit risk associated with a pool of financial assets entitling the security holder to receive regular payments that depend on the cash flow from the underlying assets".

    c. Securitised derivatives are defined in Table 4.2 of Annex II of RTS 2017/583 as "a transferable security as defined in Article 4(1)(44)(c) of Directive 2014/65/EU different from structured finance products". These include at least:

    d. plain vanilla covered warrants;

    e. leverage certificates;

    f. exotic covered warrants;

    g. negotiable rights;

    h. investment certificates.

Q7. Are there other situations where a clarification is required whether a derivative should be reported?

Q8. Do you agree with the above understanding?

5.2.2 Reporting obligation with regards to the parties involved in the trade

29. Intragroup derivatives, not eligible for exemption, should be reported as any other derivatives and the corresponding field 2.37 "Intragroup" should be populated as "True". However, Article 9(1) EMIR provides for an exemption of intragroup derivatives from the reporting obligation where the relevant conditions are met. In these cases, both counterparties should continue to report until the conditions for applying the exemption can be met and the exemption is granted (further clarifications on the exemption are provided in the section 5.3).

30. Derivatives within the same legal entity (e.g. between two desks or between two branches of the same entity) should not be reported under EMIR as they do not involve two counterparties. The only exception is the situation in which a Clearing Member defaults and the CCP temporarily assumes both sides of the outstanding derivative contracts.

31. Similarly, non-EU subsidiairies of a group for which the parent undertaking is established in the Union are not required to report their derivatives under EMIR. In the case of contracts between an EU counterparty and a non-EU counterparty, the EU counterparty will need to report such contracts.

32. EMIR requires counterparties and CCPs to report. CCPs are defined in EMIR Article 2(1) and counterparties are defined either as FC if the entity falls under any of the categories of financial counterparties defined in EMIR or as an NFC if it is an undertaking established in the Union other than a CCP or a FC. The concept of an undertaking is not defined in EMIR. However, the European Commission provides in its FAQ[13], question II.14 a rationale leading to the consideration that the *"concept of undertaking is broader than that of 'companies or firms' and thus, is not restricted to entities with legal personality or with for-profit-making (Article 54 TFEU)".* It is worth noting that individuals not carrying out an economic activity are consequently not considered as undertakings and would thus not be subject to the reporting obligation under EMIR.

33. As a consequence, if the activity performed by the entity with a charitable nature or otherwise a non-profit profile falls under the definition of economic activity that qualifies it as a charity or non-profit entity, it would be subject to the obligations applicable to non-financial counterparties for the derivatives concluded, including the reporting obligation.

34. With regards to investment funds (e.g. UCITS, AIF, unincorporated funds, IORP), the counterparty to the derivative is generally the fund (or in case of umbrella funds, the sub-fund). When a fund manager executes a contract for different funds at the same time (e.g. block trade), it should immediately allocate the relevant part of that contract to the relevant funds and report accordingly. As a consequence, the counterparty ID should be the ID of the fund, not the ID of the fund manager. According to Articles 9(1b) to (1d) EMIR, the fund manager shall report the OTC derivatives on behalf of the funds. The ID of the fund manager should be included as the entity responsible for reporting and where it reports directly - as report submitting entity. It should be noted that in rare circumstances, the fund manager executes trades on its own account and not on behalf of the funds it manages. In such case the counterparty would be the fund manager.

35. Non-EU AIFs that are set up exclusively for the purpose of serving one or more employee share purchase plans, or that are securitisation special purpose entities as referred to in point (g) of Article 2(3) of Directive 2011/61/EU, do not qualify either as FCs under Article 2 (8) nor as NFCs under article 2(9). As such, these AIFs are not subject to the reporting obligation and therefore, they should not report derivatives under EMIR. However, if the other counterparty is subject to the reporting obligation under EMIR, that counterparty should report derivatives concluded with such non-EU AIFs.

[13] emir-faqs-10072014_en.pdf (europa.eu).i

36. Finally, some very specific entities are out of scope of EMIR in general in accordance with EMIR Article 1(4) such as the BIS, central banks or public bodies charged with or intervening in the management of the public debt for a given list of countries. However, with regard to Article 1(5) the reporting obligation is the only EMIR obligation that applies to multilateral development banks, some public sector entities, the ESF and ESM.

37. Investment firms that provide investment services (such as execution of orders or receipt and transmission of orders) without becoming a counterparty of a derivative by acting as principal do not have any obligation to report under EMIR. Nevertheless, in case the investment firm acts as an investment fund manager as described in paragraphs 1b, 1c or 1d of EMIR Article 9, then this investment firm becomes responsible and legally liable to report on behalf of the counterparty and to report its own LEI in the field 1.3 Entity Responsible for Reporting.

38. Similarly, when a management company provides the service of portfolio management (as defined in Article 4(8) of MiFID) to a client, and, by doing so, enters into derivative contracts, the client should be considered as the counterparty to the derivative, except when the management company bears the risk of the derivative contract and therefore is considered as a counterparty. The management company can report to TRs on behalf of its clients without prejudice to the client's liability for meeting the reporting obligation. In that situation, the ID of the management company must be provided as the report submitting entity ID.

Q9. Are there other situations where a clarification is required whether a derivative involving a specific category of party should be reported?

Q10. Do you agree with the above understanding?

5.2.3 Reportability in specific scenarios

39. Reporting under EMIR is dual-sided, i.e. both counterparties to derivative contracts are required to report if they fall under the scope of EMIR. As a consequence, for a derivative entered into by two counterparties subject to EMIR, the same derivative contract is expected to be reported twice, once on behalf of each counterparty, and the details of the reported derivative should be consistent across both reports.

40. Article 9(1e) stipulates that counterparties and CCPs should ensure that such details are reported correctly and without duplication. Based on this requirement, counterparties or other entities responsible for reporting should put in place processes and controls in order to avoid the risk of duplicate reporting. This is particularly important (i) in the case of a change of TR (ensure that the reports are channelled to the right TR), (ii) in the case of a corporate event such as a merger or an acquisition (avoid reporting the same derivative on behalf of the wrong entity) or (iii) in the case of changes in delegation (ensure that only one delegate reports a derivative). In case a duplicate report is identified the counterparty should immediately take corrective actions with diligence in order to resolve the problem.

41. In the event only of a novation, where a counterparty (being a CCP or another counterparty) steps into the derivative contract and becomes a new counterparty to the derivative, the contract should be reported with action type 'New' and event type 'Step-in'. For the original report relating to the existing derivative, both counterparties should send a termination

report with action type ‘Terminate’ and event type ‘Step-in’, completing the field 2.45 “Early termination date”.

42. For block trades, there is a distinction necessary between (i) scenarios where the block trade was concluded by an investment firm and then allocated to clients and (ii) those scenarios where the block trade was concluded by a fund manager without own reporting obligation and then allocated to individual funds.

43. In the first case the block trade should first be reported by the investment firm. The investment firm should then report the allocations to the individual clients.

44. In the second case, block trades that are subsequently allocated to individual funds on trade date are not required to be reported. In such cases, the counterparty to the derivative is the individual fund, therefore the allocations should be reported (a) specifying the relevant individual fund (on behalf of which the fund manager has entered into the block trade) as counterparty to the said trade and (b) specifying the allocation of the relevant part of the trade to the relevant individual fund. Any parts of a block trade that are not allocated on trade date should be reported with the fund manager as the counterparty. This reporting logic would only apply where the allocation post trade date is permitted by the applicable national legislation.

45. In case a collateral agreement allows the covering of exposures in transactions that are not to be reported under EMIR, the collateral reported should be just the collateral that covers the exposure related to the derivatives reported under EMIR. If it is impossible to distinguish within a pool of collateral the amount which relates to derivatives reportable under EMIR from the amount which relates to other transactions, the collateral reported can be the actual collateral posted / received covering a wider set of transactions. As a consequence, in case none of the transactions covered by the report is reportable under EMIR, no collateral should be reported.

46. Regulation (EU) 2019/834 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 648/2012 removed the backloading requirement from Article 9 of EMIR, therefore derivatives concluded before and no longer outstanding on 12 February 2014 are not subject to the reporting obligation.

47. Where no contracts are concluded, modified or terminated during several days, no reports are expected apart from updates to valuations or collateral on outstanding derivatives, as required. As the obligation to report should be complied with by T+1 (T being the date of conclusion/modification/termination of the contract), there is no other need to send daily reports if there are no conclusion, modifications to the contract or termination.

48. Derivatives that are concluded during the same day, even if they are netted or terminated for other reasons during the day, should be reported to TRs. In case of a termination during the same day, at least two reports should be sent: A report with action type ‘New’ and a second report with the relevant termination action and event types, unless the derivative is reported with action type ‘Position Component’ in which case it will be netted into the subsequent position(please refer to section 5.7 for position level reporting specificities).

49. With regards to cleared derivatives, ESMA takes the opportunity to raise the attention of the market to the Article 2 of the draft RTS on reporting that details how trades that are cleared should be reported. As a consequence, unless a derivative is cleared on the same

day or if the trade is concluded off venue, the derivative should first be reported in its original state and then, once it is cleared, the original derivative should be terminated with action type 'Terminate' and event type 'Clearing' and the subsequent derivative should be reported with action type 'New' or if relevant Position Component and event type 'Clearing'.

Q11. Are there other specific scenarios where a clarification is required?
Q12. Do you agree with the above understanding?

5.3 Intragroup exemption from reporting

50. In accordance with Article 9(1) EMIR, as amended by Regulation 2019/834 counterparties can benefit from an intragroup (IGT) exemption from reporting for the derivative contracts within the same group where at least one of the counterparties is a non-financial counterparty or would be qualified as a nonfinancial counterparty if it were established in the Union and when the following conditions are met: " (a) both counterparties are included in the same consolidation on a full basis; (b) both counterparties are subject to appropriate centralised risk evaluation, measurement and control procedures; and (c) the parent undertaking is not a financial counterparty".

51. It should be noted that it is not necessary for the Commission to have adopted an implementing act (equivalence decision) under Article 13(2) EMIR in order for the reporting exemption under the third-sub-paragraph of Article 9(1) to apply to derivatives entered into between a counterparty established in the Union and a counterparty established in a third country which would be an NFC if it were established in the Union.

52. A derivative contract between a Financial Counterparty (FC) and non-financial counterparty (NFC) where:

    a. the FC belongs to both a group of undertakings referred to in Article 3(1) or Article 80(7) and (8) of Directive 2006/48/EC (CRD), and another group referred to in Articles 1 and 2 of Directive 83/349/EEC, and

    b. the NFC merely belongs to the group under Articles 1 and 2 of Directive 83/349/EEC,

    may be eligible for an intragroup exemption from reporting. Notably, in accordance with the definition of 'group' in Article 2(16) EMIR, as amended by Regulation 2019/834, such a contract may be eligible for an intragroup reporting exemption if the NFC, while not consolidated under the CRD, is part of the same consolidated non-financial group as the FC.

53. The three-month period referred to in Article 9(1) EMIR, as amended by Regulation 2019/834, in which the authorities may disagree with the fulfilment of the above conditions, starts on the calendar day following receipt of the notification(s) by the relevant NCA(s).

54. The exemption should be valid from the date when the NCA(s) confirm(s) to the counterparty(ies) that the conditions to use the exemption are satisfied, or if no decision is notified by the NCA(s), it will be valid from the end of the three-month non-objection period. If the conditions, referred to in the third sub-paragraph of Article 9(1) EMIR, as amended by Regulation 2019/834, may be no longer fulfilled due to a change in the counterparties

characteristics, the counterparties need to inform the relevant NCAs. Without prejudice to the existing exemption, the NCA(s) can object to the use of the exemption if the conditions are no longer met. From the point in time at which the NCA objects to the use of the exemption the exemption will not be valid.

55. It should be noted that the counterparties shoud report derivatives during the three-month period unless the NCA(s) notify(ies) the counterparty(ies) that they agree upon fulfilment of the conditions before the three-month period expires.With regards to the reference to the 'parent undertaking' for the purpose of the conditions for the exemption under Article 9(1) EMIR, as amended by Regulation 2019/834, it should be considered that:

    a) the ultimate parent undertaking of the group[14] relevant for the consolidation on a full basis is the parent undertaking for that purpose , and

    b) the centralised risk evaluation, measurements and control procedures shall be applicable for the counterparties notifying the exemption from reporting. It is not necessary that they are established at the level of the whole group of the ultimate undertaking.

56. With regards to the possibility of providing the notification for the group by the parent undertaking, it should be noted that counterparties should submit their notifications to their respective NCAs in accordance with the procedures adopted by those NCAs in each member state. If this is acceptable for the respective NCA, the parent undertaking may provide a single notification identifying each entity of its group situated within that member state for which exemption is requested. It is not necessary that the parent undertaking is a counterparty to a derivative contract, neither that it is located in the member state where it submits a notification.

57. When notifying of their intention to apply the exemption from the reporting obligation in accordance with Article 9(1) EMIR the notifying counterparty should state that it fulfils the conditions laid down in the third subparagraph of Article 9(1) EMIR and, if applicable, should indicate the other NCA(s) that have been notified with regards to the counterparty(ies) included in the notification. The NCA may ask for additional information and/or documents to assess the fulfilment of the conditions laid down in the third subparagraph of Article 9(1) EMIR.

58. When counterparties of the same group established in at least two different EU member states notify their NCAs of their intention to apply a reporting exemption under Article 9(1) EMIR, each NCA needs to consider whether the conditions laid down in the third subparagraph of Article 9(1) are met. NCAs may disagree on the fulfilment of these conditions. Where one of the NCAs considers that the conditions are not fulfilled, it should notify the counterparty in its member state as well as the other NCA(s) within the three-month period of the receipt of the notification and specify the reasons.

59. Where counterparties want to benefit from the exemption from reporting and once they consider they have addressed the objection(s) raised by the objecting NCA(s), they should

[14] The European Commission has clarified that the exemption contained in Article 9(1) of EMIR does not cover intragroup transactions for which the parent undertaking is established in a third country, even if the transaction occurs between two counterparties which are both established in the EU. (see ESMA EMIR Q&A TR Answer 51 (m).)

renotify accordingly of their intention to apply the reporting exemption under Article 9(1) EMIR.

60. For the avoidance of doubt, if counterparties notify their respective NCAs on different dates, they should wait until the end of the later of the two three-month periods before relying on the exemption (provided neither NCA objected) or until all relevant NCAs agree on the fact that the conditions laid down in the third subparagraph of Article 9(1) EMIR are met. The reporting exemption for the derivative contracts concluded by the relevant counterparties is not valid, if one NCA has objected to it. Therefore, the derivatives concluded between the counterparties, that are included in the notification, should continue to be reported.

61. Once the reporting exemption is valid, the counterparties that benefit from the exemption should send reports with Action type 'Error' for all the derivative contracts with the counterparties for which the reporting exemption is valid.

62. If the reporting exemption ceased to be valid due to a non-compliance with any of the conditions, referred to in the third sub-paragraph of Article 9(1) EMIR, the counterparties concerned should report the outstanding derivatives with action type 'New' and event type 'Trade' and provide all the relevant details of those derivatives as they stand on the date when the exemption ceases to be valid, and report all subsequent lifecycle events as they occur. It is not necessary to report the modifications to the derivative that occurred between the date of conclusion of that derivative and the date when the exemption ceased to be valid. If the outstanding derivatives were previously cancelled with action type 'Error' at the moment when the exemption was granted, the counterparties should report such derivatives with a new UTI so that the reports are not rejected in accordance with the EMIR validation rules. It should be noted that use of action type 'Revive' is not expected in this context, because it is extremely unlikely that the reporting exemption ceases to be valid within 30 days from being granted.

Q13. Are there any other clarifications required with regards to the IGT exemption from reporting?

5.4 Allocation of responsibility for reporting

5.4.1 General clarifications

63. In accordance with EMIR Article 9(1), counterparties and CCPs are required to ensure that the details of any derivative contract that is reportable as described in the section 5.2 are reported to a TR. Therefore, unless an exemption applies or unless a different party is responsible and legally liable for reporting pursuant to Article 9(1a) of EMIR, the reporting obligations apply to all counterparties and CCPs established in the Union as soon as an undertaking enters into a derivative contract. This means , that such derivative contract should be reported no later than the working day following its conclusion.

5.4.2 FC trading with NFC

64. The Article 9(1a) of EMIR introduces the principle that “Financial counterparties shall be solely responsible, and legally liable, for reporting on behalf of both counterparties, the details of OTC derivative contracts” concluded with an NFC-. Nevertheless, the 3rd subparagraph of that Article allows NFC- to continue to report the details of those OTC derivative contracts to a trade repository.

65. Article 9(2) of the draft ITS on reporting specifies the requirements related to the arrangements to be put in place with regards to the transfer of responsibility and legal liability:

    a. Timely provision of details by the NFC- to the FC with regards to information the “FC cannot be reasonably expected to possess”, indicating a list of fields for which the details should be provided by the NFC- to the FC.

    b. Timely information of the change in the reporting responsibility, i.e. when the NFC- becomes NFC+ or vice versa.

    c. Requirements for the NFC- to renew its LEI so that the status of the LEI is “issued” each time a derivative is concluded.

    d. Timely notification by the NFC- if it decides to cease the “opt-out” so that the FC becomes responsible for reporting on its behalf.

66. With regards to these provisions ESMA considers that, in order to fulfil the requirements NFC- and FC should agree on the way to exchange information in each of these cases. More particularly, with regards to point (a) above, those arrangements should allow the FC to have the information no later than T+1 after the conclusion or modification of a contract so that the FC can proceed to the timely reporting. This can be achieved e.g. by providing a list of predefined standard values to be used as default by the FC, unless specified otherwise by the NFC-. In any case the NFC- remains responsible for providing the FC with correct details.

67. ESMA takes this opportunity as well to remind market participants that NFC- are not required to report data on collateral, mark-to-market, or mark-to-model valuations of the contracts in accordance with Article 4 of the draft RTS on reporting. Nevertheless, should the FC report this information, it should be correct as of the respective collateral or valuation timestamp.

68. A particular situation is where a conclusion of a derivative has been reported or should have been reported by the NFC- (either because it was executed before the provisions setting out the reporting responsibility became applicable on 18 June 2020 or because the NFC- opted-out at the time of the execution), and a modification or termination is to be reported under the provisions assigning the responsibility and legal liability to the FC. More particularly, this situation might happen during the transition period, thus under the principles explained in Section 5.1 on the transition to the new reporting standards. ESMA considers as well that the arrangements between the NFC- and the FC should take into account such situations in order to ensure the continuity of the reporting in terms of content, timeliness and adequacy. The counterparties should as well ensure that those contracts are not reported with duplication.

69. For any outstanding OTC derivatives where an FC and an NFC- report to two different Trade Repositories at the moment the responsibility and legal liability are transferred, the outstanding OTC derivatives of the NFC- should be ported to the TR of the FC at that moment, unless the FC decides to become client of the TR of the NFC- and report the OTC derivatives concluded with the NFC- to that TR. Similarly, each time when NFC changes its status from NFC- to NFC+, and thus the responsibility and legal liability is transferred to the NFC, the outstanding OTC derivatives concluded with the FC should be ported to the TR of the NFC, unless the NFC decides to become client of the TR of the FC and report the OTC derivatives concluded with the FC to that TR. Any such transfer of OTC derivatives between the TRs of any pair of FC-NFC should be performed following the the Guidelines on transfer of data between Trade Repositories (in particular, the derivatives subject to transfer should not be cancelled and re-reported by the counterparties, but rather transferred as specified in the Guidelines).

70. With regards to point (b) above, the fields 1.7 Clearing threshold of counterparty 1 and 1.13 Clearing threshold of counterparty 2 are part of the reportable details. To the extent possible, the NFC- should inform the FC of an anticipated change in its status ahead of the date of the required annual calculation of its positions pursuant to the Article 10(1) of EMIR to avoid any disruption in the continuity of reporting. While the status of the NFC is known and primarily assessed by the NFC itself, the FC should collect the information on a regular basis in order to be able to perform its own reporting. When the FC becomes aware of a change from NFC+ to NFC- after the calculation date, it should submit the missing reports pertaining to the OTC derivatives that were concluded, modified or terminated after that date without undue delay. Such submissions should be done, upon having received from the NFC all relevant details (as per (a) above) pertaining to these derivatives.

71. Similarly, the NFC should take all relevant steps in order to ensure that it is capable to take over the reporting once it changes its status from NFC- to NFC+ in order to ensure continuity of the reporting in terms of content, timeliness and adequacy. This includes as well that the NFC should inform the FC as soon as possible and therefore, the NFC should ideally anticipate the change.

72. With regards to the point (c) above, NFCs are responsible for ensuring that their LEI is renewed in a timely fashion. In order to avoid disruptions in the reporting and for the FC to avoid having to manage “rejections” by the TRs,ESMA considers that FC can e.g. timely liaise with the NFC- so that the latter renews its LEI. Nevertheless, if the NFC- has not timely renewed its LEI and therefore FC was not able to successfully report on behalf of NFC-, the FC should submit the missing reports without undue delay as soon as the LEI of the NFC- is renewed.

73. While the obligation to report OTC derivatives is no longer on the NFC-, ESMA considers that it is of utmost importance that both counterparties, including the NFC-, are in possession of complete and up-to-date information about the details of the derivatives that have been reported to a TR. Therefore, ESMA considers that FCs can e.g. provide its NFC- counterparties on regular basis (e.g. monthly) with the information concerning the contracts that are outstanding at the TRs. Being able to compare its own records with the records of derivatives stored at the TRs on a regular basis would support the NFC- in fulfilling its other obligations as defined under EMIR and more particularly to EMIR Article

9(2) “Counterparties shall keep a record of any derivative contract they have concluded and any modification for at least five years following the termination of the contract” or other relevant regulations as well as to be aware of the information that is available to the entities listed in EMIR Article 81(3) on their behalf.”

74. For the avoidance of doubt, ESMA stresses again that all the aforementioned clarifications apply only to OTC derivatives. Thus, for ETDs i.e. any derivative contracts that do not qualify as OTC based on the definition of Article 2(7) of EMIR as amended by Article 32 of SFTR, the counterparty remains responsible and legally liable for reporting the details to a Trade Repository and the provisions related to the transfer of responsibility and legal liability do not apply. Counterparties cannot assume that all options and futures traded on venue are ETDs.

75. Another limitation is that the provisions on allocation of responsibility only apply when the FC is established in the Union or where the conditions laid down in the fourth sub-paragraph of Article 9(1a) of EMIR are fulfilled.

76. Finally, counterparties should take into account the situation of the implementation of the amendments to EMIR in EEA countries (Iceland, Liechtenstein and Norway). Until the amendments to EMIR are incorporated into the EEA agreement and transposed into the national laws of these countries, the transfer of responsibility and legal liability cannot be taken into account. In case where an EU NFC- enters into derivatives with an FC established in an EEA country , the NFC- remains responsible and legally liable for its reporting. Similarly,, if an EU FC enters into a derivative with an NFC- established in an EEA country, the FC is not responsible and legally liable for the reporting on behalf of the NFC-.

Table 1 - Population of the fields pertaining to counterparties, report submitting entity and entity responsible for reporting

Scenario		Report submitting entity (field 1.2)	Entity responsible for reporting (field 1.3)	Counterparty 1 (field 1.4)	Counterparty 2 (field 1.9)
NFC- delegating to FC in accordance with Article 9(1)(a)	*Leg 1*	*FC LEI*	*FC LEI*	*FC LEI*	*NFC- LEI*
	Leg 2	*FC LEI*	*FC LEI*	*NFC- LEI*	*FC LEI*
NFC- delegating to FC in accordance with Article 9(1)(a) and FC	*Leg 1*	*RSE LEI*	*FC LEI*	*FC LEI*	*NFC- LEI*

Table 1 - Population of the fields pertaining to counterparties, report submitting entity and entity responsible for reporting					
Scenario		**Report submitting entity (field 1.2)**	**Entity responsible for reporting (field 1.3)**	**Counterparty 1 (field 1.4)**	**Counterparty 2 (field 1.9)**
subdelegating to RSE	*Leg 2*	*RSE LEI*	*FC LEI*	*NFC- LEI*	*FC LEI*
NFC- not delegating to FC	*Leg 1*	*FC LEI*	*FC LEI*	*FC LEI*	*NFC- LEI*
	Leg 2	*NFC- LEI*	*NFC- LEI*	*NFC- LEI*	*FC LEI*
NFC- not delegating to FC in accordance with Article 9(1)(a) FC delegating to RSE NFC- delegating to RSE2	*Leg 1*	*RSE LEI*	*FC LEI*	*FC LEI*	*NFC- LEI*
	Leg 2	*RSE2 LEI*	*NFC- LEI*	*NFC- LEI*	*FC LEI*
NFC+ delegating to FC	*Leg 1*	*FC LEI*	*FC LEI*	*FC LEI*	*NFC+ LEI*
	Leg 2	*FC LEI*	*NFC+ LEI*	*NFC+ LEI*	*FC LEI*
NFC+ delegating to FC and FC subdelegating to RSE	*Leg 1*	*RSE LEI*	*FC LEI*	*FC LEI*	*NFC+ LEI*
	Leg 2	*RSE LEI*	*NFC+ LEI*	*NFC+ LEI*	*FC LEI*

Q14. Are there any other clarifications required for the handling of derivatives between NFC- and FC?

Q15. Are the current illustrative examples providing clarity and / are there other examples that should be incorporated in the guidelines?

5.4.3 CCP

77. With regards to CCPs, in EMIR CCPs are not considered as Financial Counterparties under Article 2(8) of EMIR, therefore if an NFC- would enter directly in a derivative contract

with a CCP, the CCP would not become responsible and legally liable for the reporting of the details of the derivative on behalf of the NFC-. In such cases, the obligation to comply with the reporting obligation remains with the NFC-.

Q16. Are there any other clarifications required for the reporting obligation related to CCPs?

5.4.4 Funds (UCITS, AIF and IORP that, in accordance with national law, does not have legal personality)

78. Articles 9(1b), (1c) and (1d) introduce as well allocation of responsibility for reporting for funds towards their respective fund manager in certain circumstances. In these cases, it is considered that the fund managers have all relevant details available in their respective roles and that the compliance with the provisions on allocation of responsibility for reporting can be ensured in accordance with the regulation.

79. As an illustration, please refer to the Table 2 below.

Table 2 – Population of the fields pertaining to counterparties, report submitting entity and entity responsible for reporting

Scenario		Report submitting entity (field 1.2)	Entity responsible for reporting (field 1.3)	Counterparty 1(field 1.4)	Counterparty 2 (field 1.9)
Fund delegating to Management company / AIFM (IFM)	*Leg 1*	*LEI IFM*	*LEI IFM*	*LEI fund*	*LEI CPT*
	Leg 2	*LEI CPT*	*LEI CPT*	*LEI CPT*	*LEI fund*
Fund delegating to Management Company / AIFM (IFM) who in turns delegates to the CPT	*Leg 1*	*LEI CPT*	*LEI IFM*	*LEI fund*	*LEI CPT*
	Leg 2	*LEI CPT*	*LEI CPT*	*LEI CPT*	*LEI fund*
Fund delegating to Management Company / AIFM (IFM) who in turns delegates to a RSE	*Leg 1*	*LEI RSE*	*LEI IFM*	*LEI fund*	*LEI CPT*
	Leg 2	*LEI CPT*	*LEI CPT*	*LEI CPT*	*LEI fund*

80. In the particular case where a fund that qualifies as an FC enters into an OTC derivative with an NFC-, the provision on allocation of responsibility for reporting in the Article 9(1) and the clarifications thereof in the related guidelines under section 5.4.2 hierboven apply for the OTC derivative from the side of the counterparty. Therefore, in such a situation:

81. The Fund Manager is responsible and legally liable to report the OTC derivative on behalf of the fund;

82. The Fund is responsible and legally liable to report the OTC derivative on behalf of the NFC-.

83. As an illustration, if an AIF (LEI AAAAAAAAAA1111111111) with an AIFM (LEI AAAAAAAAAA2222222222) enters into an OTC derivative contract with an NFC- (LEI 123456789ABCDEFGHIJK), the counterparty related fields are to be populated as follows:

TABLE 3 – EXAMPLE OF FUND RESPONSIBLE TO REPORT THE DERIVATIVE ON BEHALF OF THE NFC-

	Report 1 of the derivative	Report 2 of the derivative
1.3 Entity Responsible for Reporting	AIFM LEI: AAAAAAAAAA2222222222	AIF LEI: AAAAAAAAAA1111111111
1.4 Counterparty 1 (Reporting Counterparty)	AIF LEI: AAAAAAAAAA1111111111	NFC- LEI: 123456789ABCDEFGHIJK
1.9 Counterparty 2	NFC-: 123456789ABCDEFGHIJK	AIF: AAAAAAAAAA1111111111

84. For the avoidance of doubt, ESMA stresses again that all the aforementioned clarifications apply only to OTC derivatives. Thus, for ETDs i.e. any derivative contracts that do not qualify as OTC based on the definition of Article 2(7) of EMIR as amended by Article 32 of SFTR, the counterparty remains responsible and legally liable for reporting the details to a Trade Repository and the provisions related to the transfer of responsibility and legal liability do not apply. Counterparties cannot assume that all options and futures traded on venue are ETDs.

Q17. Are there any other clarifications required for the reporting obligation related to Investment Funds i.e. UCITS, AIF and IORP that, in accordance with national law, does not have legal personality?

5.5 Delegation of reporting

85. EMIR stipulates in Article 9(1f) that the counterparties and CCPs that are subject to the reporting obligation may delegate that reporting obligation. In case of delegation of reporting, the delegating counterparty should provide the report submitting entity with all the details of the derivative contracts and it is responsible for ensuring that those details are correct. The processes and timelines should in case of delegation be the same as in the case of allocation of responsibility for reporting described in the section 5.4. It should also be mentioned that EU counterparties should carefully assess any risks that might be posed to their compliance with the reporting obligations in case of delegation of reporting to a non-EU report submitting entity.

86. Draft RTS on reporting provides a specific data element, Field 2 in Table 1 (Report submitting entity ID), which should be mandatorily populated and in case where the reporting counterparty or entity responsible for reporting has not delegated the submission of the report to a third party or to the other counterparty, the reporting counterparty or entity responsible for reporting will populate its own LEI. In the case when in the reporting of a derivative multiple entities are involved, i.e. the reporting is carried out by a chain of entities, Field 2 should be populated with the LEI of the entity ultimately submitting the report to the TR. Final report (in section 4.1.3) also clarifies that the RSEs should inform the reporting counterparties and ERRs about relevant reporting and data quality issues (including data submitted on its behalf, all the rejections, reconciliation breaks as well as other data quality issues pertaining to the relevant data) for which the information will not be provided by the TRs, especially if these reporting counterparties and ERRs are not participants or users of the TR. ESMA also clarified in the Final Report that responsibilities regarding the outstanding derivatives should be agreed by the parties and covered by the delegation act. Naturally the delegation act needs to cater for the point in time when it comes into effect and also for the point in time when it ceases to be effective. Responsibilities of the counterparties and RSEs with regards to data completeness and accuracy, e.g. update of LEI, and generally the responsibility for the content of reports remains in case of delegation always with the entity responsible for reporting. The delegating counterparty (subject to the reporting obligation) should provide the RSE with all the details of the derivative in a timely manner, and it is responsible for ensuring that those details are correct.

87. Delegation of reporting includes the following scenarios:

    a. one counterparty delegates to the other counterparty;

    b. one counterparty delegates to a third party;

    c. both counterparties delegate to a single third party;

    d. both counterparties delegate to two different third parties.

88. In any of the scenarios above the principle of avoiding duplication and ensuring the continuity of reporting should be followed.

89. ESMA encourages centralised reporting (i.e. by the venue in which a non-OTC has been concluded or by the CCP in which it is being cleared); however, this should be always a matter of agreement by the counterparties, based on delegation act. Whenever a third party is performing that function based on a delegation act (on behalf of one or both

counterparties), it should ensure that all relevant data are duly and timely provided by the counterparties to fulfil the reporting obligation.

90. Further clarifications should be noted with regards to the delegation of tasks in case a third party is used for reporting and any possible differences in criteria for delegation depending on the home member state of the delegating entity. Firstly, the reporting counterparty, ERR or RSE can decide to delegate any task related to the reporting of data, including the generation of the UTI. Secondly, currently no specific rules on how the delegation should be performed are determined, however all EMIR provisions should be respected (timely and accurate reporting, etc.) and the counterparties should remain liable for the content of the reports and any misreporting by the third entities they rely upon. Legal documentation covering the delegation arrangement is recommended (e.g. written agreement between party responsible for reporting and the report submitting entity, even if also subject to the requirement to report, such as the other counterparty or the CCP).

91. For example investment firms that provide only investment services (such as execution of orders or receipt and transmission of orders) do not have any obligation to report under EMIR unless they become a counterparty to a derivative by acting as principal. However, nothing prevents counterparties to a derivative to use an investment firm (acting as a broker) as a third party for TR reporting.

92. In the case when portfolio manager is involved, i.e. an entity to which the execution of (a part of) the investment strategy of a counterparty is delegated, this portfolio manager should be identified (in the relevant field) only when that entity performs, de jure or de facto, one of the roles identified in the counterparty data of a derivative report, e.g. broker. Otherwise that entity should not be identified.

Q18. Do you see any other challenges with the delegation of reporting which should be addressed?

5.6 Reporting of lifecycle events

5.6.1 Action types

93. Counterparties should report the conclusion, modification and termination of a derivative.

94. In case none of the details of the derivative, as expressed in the data fields, have changed, the counterparties should not report again details of the derivative. The only exception is the update of the outstanding derivatives in the transition period as described in the section 5.1.

95. Furthermore, the counterparties that are required to report valuation and collateral, i.e. FCs, NFC+ and CCPs, should report on a daily basis the details of valuation and collateral as they stand at the end of the day, for all their outstanding derivatives.

96. Counterparties should report the lifecycle events using one of the action types specified in the draft RTS on reporting:

97. For reporting of the derivative data (Field 151 of Table2):

a. ‘New’ (NEWT) – to identify a report of a derivative, at a trade or position level, for the first time.

b. ‘Modify’ (MODI) – to identify a modification to the terms or details of a previously reported derivative, at a trade or position level, but not a correction of a report.

c. ‘Correct’ (CORR) – to identify a report correcting the erroneous data fields of a previously submitted report.

d. ‘Terminate’ (TERM) – to identify a termination of an existing derivative, at a trade or position level.

e. ‘Error’ (EROR) – to identify a cancellation of a wrongly submitted entire report in case the derivative, at a trade or position level, never came into existence or was not subject to Regulation (EU) No 648/2012 reporting requirements but was reported to a trade repository by mistake or a cancellation of a duplicate report. The action type ‘Error’ should also be used in the particular scenario when counterparties start to benefit from the intragroup exemption from reporting under Article 9(1) of EMIR – they should use this action type to cancel all the outstanding derivatives with the counterparties for which the reporting exemption is valid.

f. ‘Revive’ (REVI) – to identify a re-opening of a derivative, at a trade or position level, that was cancelled with action type ‘Error’ or terminated by mistake.

g. ‘Valuation’ (VALU) – to identify an update of a valuation of a derivative, at a trade or position level

h. ‘Position component’ (POSC) – to identify a report of a new derivative that is included in a separate position report on the same day.

98. For reporting of the margins data (Field 28 of Table 3):

a. ‘New’ (NEWT) to identify a new margin balance,

b. ‘Margin update’ (MARU) to identify a modification of the details of the margins

c. ‘Error’ (EROR) to identify a cancellation of a wrongly submitted entire report,

d. ‘Correct’ (CORR) to identify a correction of data fields that were submitted incorrectly in a previous report

99. Counterparties should use action type ‘Modify’ to report modifications of the details of a derivative, ‘Valuation’ to report changes in the value of a derivative and ‘Margin Update’ to report modifications of the corresponding collateral.

100. Counterparties should ensure that action types ‘Modify’ and ‘Correct’ are used correctly. In particular, ‘Modify’ should be used to report modifications to the terms or details of a previously reported derivative, including when counterparty provides additional information that previously was not available at the time of reporting. ‘Modify’ should not be used to report corrections of details of derivatives – only ‘Correct’ should be used for that purpose.

101. Similarly, in the case of collateral data, action type ‘Margin Update’ should be used to report modifications of the collateral data, but not the corrections of the previously reported

collateral details. In principle only one report per day, with action type 'Market Update' is expected. However, if a counterparty identifies that it had submitted incorrect collateral data for a given day, it should submit a collateral report with action type 'Correct' for that day (specifying in the field 'Event date' and in the 'Collateral timestamp' the day for which the data are corrected).

102. With regards to the reporting of collateral data under EMIR, ESMA is considering the applicability of action types 'New' and 'Error'. In principle, the new collateral would be expected to be reported only when there is at least one outstanding derivative covered by that collateral. Verification that collateral is not reported when there is no corresponding derivative could be performed as part of the TRs' validations. Therefore, in principle there is no need to flag that a margin balance is reported for a first time. Similarly, if the above mentioned validation is put in place, there should not be any scenario under which counterparty would need to cancel the entire submission of the collateral. If a counterparty submits wrongly both derivatives and corresponding collateral, erroring the derivatives would result automatically in erroring the collateral as there would no longer be any corresponding outstanding derivatives.

103. In order to simplify the reporting rules, ESMA considers that only action types 'Margin Update' and 'Correct' should be used to report collateral, where 'Margin Update' would be used to report the collateral for the first time as well as to report any subsequent updates to that collateral, and 'Correct' would be used to amend incorrect collateral data.

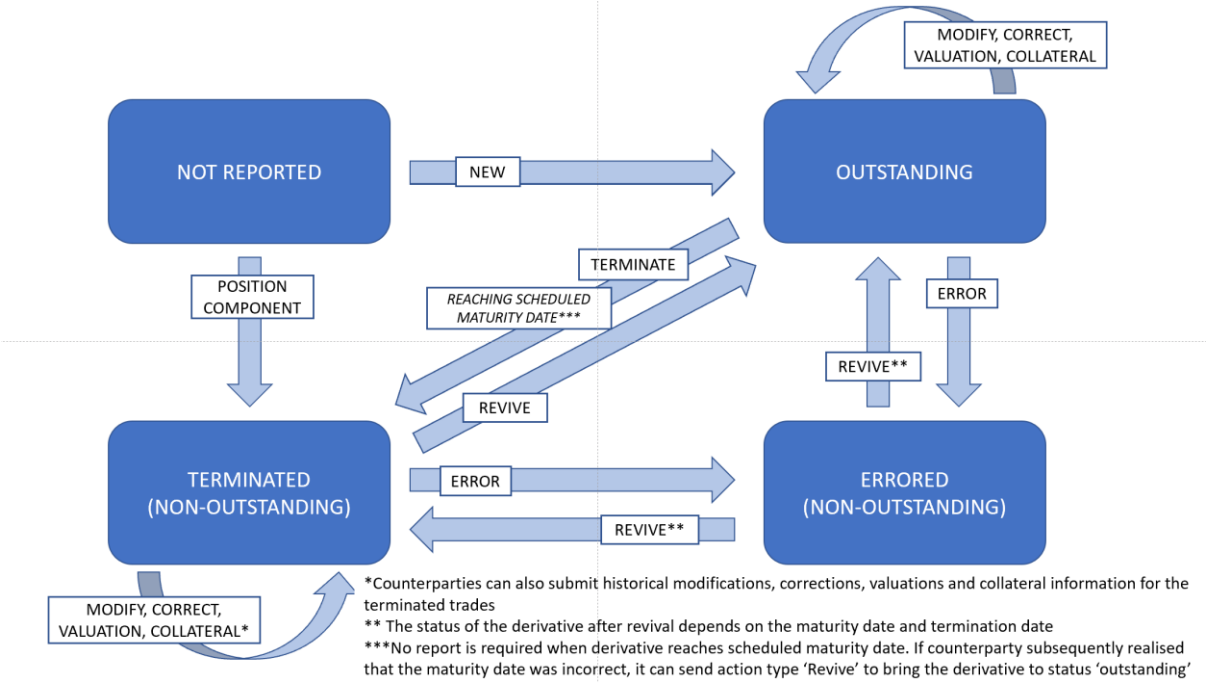
Q19. Do you agree that only action types 'Margin Update' and 'Correct' should be used to report collateral?

Q20. Are there any other clarifications required with regards to the use of the action types in general (other than specific aspects covered in the sections below)?

5.6.2 Sequences of action types

104. In order to ensure logical coherence between different reports pertaining to the same derivative, TRs' validation rules will cover i.a. the correct sequences of action types.

105. ESMA proposes that the following sequences of action types should be allowed:



106. The blue boxes in the above chart specify the status of a derivative, while the allowable action types are indicated on the arrows. For example, when a derivative is reported for a first time with the action type 'New', the status changes from 'Not reported' to 'Outstanding'. If a counterparty reports subsequently 'Error' for that derivative, the status changes from 'Outstanding' to 'Errored (non-outstanding)'. For a derivative that has such status, the only allowable action type is 'Revive' (the only action type on the arrows starting in the blue box with status 'Errored (non-outstanding)). If submitted – it would change the status of the derivative either back to 'Outstanding' or to 'Terminated' (non-outstanding), depending on the maturity/termination date of that derivative. All dependencies between action types and statuses of derivatives indicated in the chart should be read in this way.

107. All dependencies described in the chart apply to the reports of a given counterparty. I.e. the reports sent by the other party to the trade do not impact allowable action types reported by the first counterparty. It applies in particular to action type 'Error', meaning that if one counterparty submitted 'Error' for a given UTI (and has not reported 'Revive' afterwards), only that counterparty will not be able to send further reports (other than 'Revive') for this UTI. In this way, if one counterparty reports 'Error' by mistake, it will not prevent the other counterparty from timely reporting relevant lifecycle events.

108. Action types 'Modify', 'Correct', 'Collateral' and 'Valuation' do not impact the status of the derivative. They are allowed to be reported for terminated trades only in the case of late reporting but they cannot be used to change the status of the derivative to outstanding (e.g. by modifying the maturity date). Only the action type 'Revive' can be used to change the status of the derivative to outstanding.

109. Counterparties, when reporting 'Revive' should provide all applicable details of the contract as of the time of revival. However, counterparties should also submit any missing

reports that should have been made while the derivative was temporarily non-outstanding. This includes reports with action type 'Correction' to correct any specific values in the report.

110. Counterparties can only use action type 'Revive' during 30 days after the submission of 'Error' or 'Terminate' or after the scheduled maturity date was reached. After that time the counterparties that realise late that a derivative should be outstanding, should generate a new UTI and report the derivative again with this new UTI.This means, that in the case where one counterparty has incorrectly reported 'Error', 'Terminate' or the maturity date, and that counterparty fails to report 'Revive' during the 30-day period, also the other counterparty would need to cancel the derivative concerned (with action type 'Error') and both counterparties would need to report it again with a new UTI in order to ensure that the reports of both sides can be reconciled.

111. To avoid negative incentives for re-reporting the derivatives instead of using action type 'Revive', also in this case the counterparties would need to rereport the lifecycle events that occurred between the incorrect termination/cancelation of the derivative and the submission of 'New' report for that derivative with a new UTI. This requirement is aligned with the requirement to report missing lifecycle events when a counterparty uses the action type 'Revive'.

112. Reaching the scheduled maturity date does not need to be reported by the counterparties and no action type applies in this case. Once a derivative reaches it maturity date, it is considered no longer outstanding.

113. When a derivative is included in the position, the status of that derivative changes to 'Terminated' (non-outstanding). Any subsequent lifecycle events must be reported at position level with a different UTI (the one of the position), and the correct sequencing of these reports for that position should also be validated.

114. The reports should be sent in a chronological sequence in which the events occurred, in line with the requirements set out in the ITS. However, it is recognised that in the cases where an entity fails to report on time or becomes aware of the past submission of incorrect information, the entity should send the reports with past event dates thus breaking the chronological order.

115. It is important to specify how the TRs should validate the correct sequences of action types: based on the 'Event date' or based on the order of submission. ESMA considers that validation of correct sequences based on the 'Event date' is more accurate, however may be more burdensome for the TRs. This aspect is closely linked to the question how the TRs should treat the reports with past event dates for the purpose of construction of the Trade State Report. More details on the validations and construction of the Trade State Report are included in the sections 8.3 and 8.1 , respectively.

Q21. Do you agree with the sequences proposed? Please detail the reasons for your response.

Q22. Are there any specific scenarios in which the expected sequence of action types is unclear?

5.6.3 Action types and event types combinations

116. Counterparties should report, where applicable, the relevant 'Event Type', as specified in the field 152 of Table 2 in the [RTS]:

a. Trade: Conclusion of a derivative or renegotiation of its terms that does not result in change of a counterparty

b. Step-in[15]: An event, where part or entirety of the derivative is transferred to a counterparty 2 (and reported as a new derivative) and the existing derivative is either terminated or its notional is modified.

c. PTRR: Post-trade risk reduction exercise

d. Early termination: Termination of a derivative, at a trade or position level

e. Clearing: Clearing as defined in Article 2(3) of Regulation (EU) No 648/2012

f. Exercise: The exercise of an option or a swaption by one counterparty of the transaction, fully or partially.

g. Allocation: Allocation event, where an existing derivative is allocated to different counterparties and reported as new derivatives with reduced notional amounts.

h. Credit event: Applies only to credit derivatives. A credit event that results in a modification of a derivative, at a trade or position level

i. Corporate event: A corporate action on equity underlying that impacts the derivatives on that equity

j. Inclusion in position: Inclusion of CCP-cleared derivative or CFD into a position, where an existing derivative is terminated and either a new position is created or the notional of an existing position is modified.

k. Update: Update of an outstanding derivative performed during the transition period in order to ensure its conformity with the amended reporting requirements

117. The below table specifies the allowable combinations of action types and event types, as well as sets out whether they apply at trade level, position level or both. The last column of the table indicates when a given action type can be reported without an event type.

[15] The term 'Step-in' is used as novation may refer also to updates to the terms of the trade that do not transfer the derivative to a different counterparty.

Table 4 - Allowable action type-event type combinations													
		Event Type											
		TRADE	STEP-IN	PTRR	EARLY TERMINATION	CLEARING	EXERCISE	ALLOCATION	CREDIT EVENT	INCLUSION IN POSITION	CORPORATE EVENT	UPDATE	No Event Type required
Action Type	NEW	T	T,P	T		T	T	T		P	T,P		
	MODIFY	T,P	T,P	T,P	T,P		T,P	T	T,P	P	T,P	T,P	P
	CORRECT												T,P
	TERMINATE		T,P	T,P	T,P	T	T,P	T	T,P	T,P	T,P		
	ERROR												T,P
	REVIVE												T,P
	VALUATION												T,P
	MARGIN UPDATE												T,P
	POSITION COMPONENT												T

118. The Table 5 clarifies the applicability of all allowed action type-event type combinations as well as provides additional comments on the actual use cases where such combinations would be reported or – on contrary where they should not be used.

119. The comprehensive mapping between business events and action type-event type combinations is provided in the section 5.10.

120. It should be noted that no event type is envisaged for porting. ESMA reiterates that porting should be performed in line with the Guidelines on portability[16]. Action types 'New' and 'Terminate' should not be used for that purpose.

Table 5 - Applicability of action type – event type combinations			
Action Type	Event Type	Applicability	Comments
New	Trade	When a derivative with a new UTI is created for the first time through trade and not because of another prior event.	Combination 'New'-'Clearing' should be used for the new derivatives resulting from clearing, in particular for

[16] https://www.esma.europa.eu/sites/default/files/library/esma70-151-552_guidelines_on_transfer_of_data_between_trade_repositories.pdf

Table 5 - Applicability of action type – event type combinations			
Action Type	**Event Type**	**Applicability**	**Comments**
			derivatives traded on trading venues and cleared on the same day by a CCP.
New	Step-in	When a derivative or position with a new UTI is created for the first time due to a Step-in event.	
New	PTRR	When a derivative with a new UTI is created for the first time due to a PTRR event.	Combination 'New'-'PTRR' at position level is not applicable, as any derivative newly created due to a PTRR event is expected to be reported at trade level (without prejudice to the possibility of including such derivative subsequently in a position). Combination New-PTRR can be used in case of rebalancing.
New	Clearing	When a derivative with a new UTI is created for the first time due to a Clearing event.	
New	Exercise	When a derivative with a new UTI is created for the first time due to an Exercise event.	This combination should be used when reporting the underlying swap following the execution of a swaption
New	Allocation	When a derivative with a new UTI is created for the first time due to an Allocation event.	
New	Inclusion in position	When a new position is created by inclusion of trades in that position for the first time.	
New	Corporate Event	When a derivative or position with a new UTI is created for the first time due to a corporate action on the underlying equity.	
Modify	Trade	When a derivative or position with an existing UTI is modified due to renegotiation of the terms of the trade, because of the changes to the terms of the trade agreed upfront in the contract (except for when such changes are already reported e.g. notional schedule) or because previously not available data elements become available.	
Modify	Step-in	When a derivative or position with an existing UTI is modified due to a Step-in event.	

Table 5 - Applicability of action type – event type combinations			
Action Type	**Event Type**	**Applicability**	**Comments**
Modify	PTRR	When a derivative or position with an existing UTI is modified due to a PTRR event.	Combination 'Modify'-'PTRR' at position level should only be used in the case where CCP positions are subject to PTRR (rather than bilateral netting and subsequent reporting at position level). Combination Modify-PTRR can be used in the case of compression.
Modify	Early termination	When a derivative or position with an existing UTI is modified due to an early termination agreed in advance or due to a partial termination.	In the case of an early termination agreed in advance, the counterparties should update the maturity date. In the case of partial early termination, the counterparties should update the notional.
Modify	Exercise	When a derivative or position, is amended due to the exercise of an option or swaption.	
Modify	Allocation	When a derivative with an existing UTI is partially allocated. This is used to report the amended notional of the existing derivative.	
Modify	Credit event	When a derivative or position with an existing UTI is modified due to a Credit event.	
Modify	Inclusion in position	When a position with an existing UTI is modified because of inclusion of a new trade.	
Modify	Corporate Event	When a derivative or position with an existing UTI is modified due to a corporate action on the underlying equity.	
Modify	Update	When a derivative or position that is outstanding on the reporting start date is updated in order to conform with the amended reporting requirements.	
Modify	No event type required	When a position with an existing UTI is modified due to more than one type of business events that occurred intraday.	Intraday reporting is not mandatory for ETDs, consequently counterparties are allowed to report 'Modify' at Position level without indicating the event type, where such modification is a result of more than one type of business events that occurred intraday.

Table 5 - Applicability of action type – event type combinations			
Action Type	**Event Type**	**Applicability**	**Comments**
Correct	No event type required	When a derivative or position with an existing UTI or the data related to the collateral is corrected because of an earlier submission of incorrect information.	
Terminate	Step-in	When a derivative or position with an existing UTI is terminated due to a Step-in event. This is used for terminating the old UTI post Step-in.	
Terminate	PTRR	When a derivative or position with an existing UTI is terminated due to a PTRR event. This is used for terminating the old UTI(s) after PTRR operation.	Combination Modify-PTRR can be used in the case of compression.
Terminate	Early termination	When a derivative or position with an existing UTI is terminated due to an early termination (and when no other cause/event is known as the reason for that termination).	
Terminate	Clearing	When a derivative with an existing UTI is terminated due to a Clearing event. This is used for terminating alpha trades.	In the case of OTC derivatives concluded bilaterally, counterparties need to terminate the previously reported bilateral trades (with combination 'Terminate'-'Clearing') and report the new cleared trades (with combination 'New'-'Clearing'). This also includes a scenario where existing derivatives become eligible for clearing at a later stage.
Terminate	Exercise	When a derivative with an existing UTI is terminated due to an Exercise event. E.g. this is used for terminating options/swaptions when these are being exercised.	'Terminate' - 'Exercise' should not be reported when the option is exercised on the maturity date. More generally, only terminations that take place at a date prior to the maturity date should be reported.
Terminate	Allocation	When a derivative with an existing UTI is terminated due to an Allocation event. This is used for terminating the old UTI post allocation.	
Terminate	Credit event	When a derivative or position with an existing UTI is terminated due to Credit event.	This combination should be reported when a credit event leads to termination and settlement of the derivatives, e.g. single name CDS.

Table 5 - Applicability of action type – event type combinations			
Action Type	**Event Type**	**Applicability**	**Comments**
Terminate	Inclusion in position	When a derivative or position with an existing UTI is terminated due to inclusion in a position.	A derivative at Trade level that is immediately included into a position, should be reported with action type 'Position component'. Only when a derivative is included in the position after being reported with action type 'New', it should be reported with action type 'Terminate' and event type 'Inclusion in position'.
Terminate	Corporate Event	When a derivative or position with an existing UTI is terminated due to a corporate action on the underlying equity.	
Error	No event type required	When a derivative or position with an existing UTI is cancelled due to an earlier submission of incorrect information. E.g. this is used to cancel the UTI of a derivative or position that should not have been reported (e.g. it is not a derivative transaction) or to cancel outstanding derivatives when the counterparty starts to benefit from an intragroup exemption.	
Revive	No event type required	When a derivatives or position that has been cancelled is reinstated due to an earlier submission of incorrect information. E.g. this is used to reinstate the UTI of a derivative or position that has been erroneously terminated.	This action type should not be used to reopen a position that was previously netted and terminated. 'Revive' should only be used to reopen the trades that were terminated or cancelled by mistake, so that the counterparties do not need to regenerate a new UTI. It should not be used for other reporting scenarios. In particular in the case of netted position, the counterparties need to decide if they maintain the position open (and report the valuation accordingly) or they close the position. If the counterparties close the position and then they enter into another derivative contract of the same type and want to report at position level, they need to report a new position, with a new UTI.

Table 5 - Applicability of action type – event type combinations			
Action Type	**Event Type**	**Applicability**	**Comments**
Valuation	No event type required	When data related to the valuation are submitted for a derivative or position with an existing UTI.	
Margin update	No event type required	When data related to the collateral are submitted for a derivative or position with an existing UTI.	
Position component	No event type required	When a new derivative is concluded and included in a position on the same day.	

Q23. Are any further clarifications needed with regards to the action type - event type combinations or their applicability?

5.6.4 Lifecycle events and use of linking IDs (Prior UTI, PTRR ID, Subsequent position UTI)

121. Counterparties should report, where relevant, linking IDs to allow for identification of reports pertaining to the same lifecycle events. The linking IDs envisaged for that purpose are following:

a. Prior UTI (Field 3 of Table 2)

b. Subsequent position UTI (Field 4 of Table 2)

c. PTRR ID (Field 5 of Table 2)

122. Prior UTI should be used in the case of those life cycle events where a single derivative is terminated and one or more new derivatives are created. In such cases the prior UTI, i.e. the UTI of the derivative that was terminated, should be populated in field 4 of Table 2 in the reports pertaining to all the derivatives created due to the lifecycle event. In particular, the prior UTI will be applicable in the following events:

a. Step-in

b. Clearing (unless the derivative was concluded on a trading venue or a third-country organised trading platform and cleared by a CCP on the same day)

c. Exercise

d. Allocation

e. Corporate event (in the case of split)

123. Subsequent position UTI should be reported when a derivative is included into position (and reported either with action type ‘Position component’ or action type ‘Terminate’ and event type ‘Inclusion in position’). It should contain the UTI of the position in which this derivative is included.

124. PTRR ID should be reported when the event type is ‘PTRR’ and the type of PTRR technique is either compression with a third-party service provider or rebalancing. The same PTRR ID, as provided by the PTRR service provider, should be reported in all reports that are created, modified or terminated due to the same PTRR event. Each PTRR event should be assigned a different PTRR ID.

125. It is possible to report more than one linking ID for a given derivative (e.g. a derivative may be reported first with a prior UTI when it is cleared, then it may be reported with a PTRR ID if it is modified due to a PTRR event and finally it may be reported with a subsequent position UTI if in the end it is included in a position). However, only the relevant linking ID should be reported in the report pertaining to a given lifecycle event (in the above example, the counterparty reporting inclusion in the position would populate in that report only the ‘Subsequent position UTI’).

Q24. Is it clear when the linking IDs should be used, and in which reports they should be provided? Do you agree that the linking IDs should be reported only in the reports pertaining to a given lifecycle events and should not be included in all subsequent reports submitted for a given derivative? Are any further clarifications on linking IDs required?

5.7 Reporting at position level

126. In general terms, ’Position’ means the exposure between a pair of counterparties. This exposure consists of a set of fungible derivatives (trades) with economic and legal relations among them which allows for a common risk management that results in a net or reduced volume of the joint exposure.

127. Following Article 3 of the draft RTS on reporting , it is possible to report post-trade events at position level in addition to the trade level provided that the following conditions are met: the legal arrangement is such that the risk is at position level, all trade reports made to the TR relate to products that are fungible with each other and the individual trades previously reported to the TR have been subsequently replaced by the position report (e.g.: the case of trades between a clearing member and a CCP).

128. The categories of derivatives eligible for reporting at position level are: ETDs, centrally cleared OTC derivatives netted by CCPs and CfDs. Although the information concerning positions is most relevant for the assessment of systemic risk, reporting only at position level is not in line with EMIR requirements (Article 9 Regulation (EU) No 648/2012), that requires all counterparties to report e.g. conclusion of a derivative which shold be reported at trade level).

129. Contracts with no maturity date, such as Contracts For Difference (CFDs), are strongly recommended to be reported at position level in order to avoid that each individual derivative by a financial counterparty needs to receive daily valuation updates until either 1) the derivative is cancelled or 2) infinity, because these derivatives generally have no maturity. The valuation can be provided at position level once they are compressed.

130. ESMA acknowledges the difficulties with agreeing bilaterally the level of reporting between counterparties and the negative impact of such problems on the reconciliation. Thus, ESMA clarifies that the reporting at position level should be agreed between the two counterparties as this obligation stems from the requirement of Article 9(1e) of EMIR to ensure that the details of the derivative contracts are reported correctly and without duplication. This is also stated in the Article 3 of the draft RTS on reporting. The two counterparties to a derivative should either both include the derivative in a position or both continue to report the relevant lifecycle events at trade level. Reporting at position level is generally an option, rather than a requirement and is feasible only when all the relevant conditions are met, including when the two counterparties agree on reporting at position level. In the absence of agreement between the counterparties, reporting at trade level is a default way forward. However, in certain circumstances, the only possible option to comply with EMIR reporting obligations is reporting at position level (e.g.: when the counterparties are not able to value the individual position components). Even in these circumstances, agreement between the counterparties involved is a necessary condition.

131. In addition, counterparties and CCPs should ensure that the details of their derivative contracts are reported without duplication when the report is done at position level and the report should be done consistently by both counterparties to the derivative. This latter means that it is not allowed that one counterparty reports subsequent updates at trade level, while the other reports those updates at position level.

132. Intraday reporting at position level is not required for any type of derivatives, neither for ETD nor for OTC, i.e.there is no need to report lifecycle events (e.g.: modifications) of a position intraday. But, in order to report correctly a position and to reflect all the modifications which affect it (also when a trade is included in a position level report on the same day), the updated details and valuation of the position should be reported at position level end-of-day. This is in line with the clarifications developed in the sections 5.6 and 5.9, such as the one on the possibility of reporting the event type blank when there are multiple events impacting the same position on a given day in order to simplify the reporting.

133. When a position is created, an action type ‘New’ and the proper event type should be reported. Modifications of a position because of inclusion or termination of trades, etc., should be reported with action type ‘Modify’ and the adequate event type. A position ends when its maturity date is reached. If the termination of a position is due to other causes an action type ’Terminate’ and the event type which describes the reason for that termination should be reported. Further details are provided in the section 5.6.

134. Taking into account that it is not permissible to report only positions without previously reporting the original derivatives at trade level, such derivatives at trade level should be updated to have an appropriate status so that it is clear that they are no longer open and to avoid double-counting of the reports of trades and those of positions. Consequently, the counterparties should report the terminations of all the derivatives at trade level that enter into the position. It should be done using the action type ‘Terminate’ and the event type ’Inclusion in a position’ or the action type ‘Position component’ with no event type required, this latter when reporting a new trade that is included in the position on the same day. In addition, the field Level should be reported as ‘T’ (trade). In this manner, all the trades which have been included in a position are no longer considered to be outstanding. Then,

the position should be reported using the action type ‘New’ if the position is created for the first time or action type ‘Modification’ in the case of an update to an existing position. The field Level should be reported as ’P’ (position) for any reporting of the position.

135. When counterparty reports at position level, any subsequent updates, modifications and life cycle events (including revaluations) should be applied to the report of the position and not to the reports of the original trades.

136. Regarding the reportable details required at position level, ESMA maintains the current approach for reporting at trade and at position level.

137. All the data elements that are required in trade reports are mandatory as well in position reporting, with the exception of those that are relevant only at trade level.

138. The field “Notional” has to be always populated in reports made at position level. Furthermore, the value of Notional at position level reports should be calculated as follows:

- For options: Notional = Total Notional Quantity x Strike Price
- For futures: Notional = Total Notional Quantity x Settlement Price

139. Reporting of modifications in the field Notional at position level should take place only if an event relevant for the position has taken place (e.g.: a new relevant trade has been included in the position, this new notional value should be taken into account in the notional of the position). Further details are provided in the section Price, notional and quantity fileds of this guideline.

140. In the case where a position valuation becomes zero, there are only two possible ways to proceed:

a. Termination of the position and reporting of a new one using a different UTI at a later stage. No valuations are reported between the termination of the first position and the creation of the latter.

b. Maintaining the position open and reporting a zero contract value on a daily basis.

141. The ‘Effective date’ is the date at which obligations under the derivative come into effect, as included in the confirmation. Where the counterparties did not specify the effective date as part of the terms of the contract, field ‘Effective date’ should be populated with the date of execution of the derivative. At position level, the Effective date should be represented by the effective date of the trade which has the most recent effective date.

142. The ‘Maturity date’ is the date at which obligations under the derivative stop being effective, as included in the confirmation Early termination does not affect this data element. Maturity date, at position level, should be the furthest maturity date in the future among the trades that are included in the position. If there is a subsequent modification of this maturity date, because this possibility was originally contained in the contract of this trade, a modification report should be sent, modifying the maturity date field accordingly to reflect the updated maturity date at position level.

143. The ’Early termination date’ is the date in which there is a termination of the derivative that occurs prior to its maturity due to e.g. a decision of a counterparty or counterparties.

Regarding position level reporting, an action type ‘Early termination’ should be populated when the entire position is terminated.

144. The ’Reporting timestamp’ is the date and time of the submission of a given derivative report to the trade repository. It applies in the same way to the reports at position level.

145. The ’Execution timestamp’ is the date and time when a derivative was originally executed. In the case of position-level reporting, that field should be populated in a similar manner as the field ’Effective date’, i.e. with the date of the trade that has the most recent execution timestamp.

146. The ’Event date’ is defined as the date when a given event took place or when a modification became “effective” (rather than the date of agreement to modify the derivative). At position level, this field should be populated when relevant events or modifications relating to the position took place. Further details are provided in the section 5.9.

147. The ’Clearing timestamp’ is the date and time when a trade or position is cleared. At position level, this field should be reported using the Execution timestamp of the position as the two timestamps are expected to be equal for positions.

TABLE 6

Concept	Effective date	Execution timestamp	Reporting timestamp	Event date	Early termination date	Maturity date	Clearing timestamp	UTI	Direction	Quantity	Action Type	Event Type	Level
Market transaction	01/04/2021	01/04/2021	02/04/2021	-	-	29/04/2021	01/04/2021	123ABCD	BYER	20	P=Position component	-	T=Trade
Market transaction	01/04/2021	01/04/2021	02/04/2021	-	-	30/04/2021	01/04/2021	123ABCDE	SLLR	5	P=Position component	-	T=Trade
EOD position	01/04/2021	01/04/2021	02/04/2021	-	-	30/04/2021	01/04/2021	8090XYZ	BYER	15	New	Inclusion in position	P=Position
Market transaction	05/04/2021	05/04/2021	06/04/2021	-	-	27/05/2021	05/04/2021	123ABCDEF	BYER	3	P=Position component		T=Trade
EOD position	05/04/2021	05/04/2021	06/04/2021	-	-	27/05/2021	05/04/2021	8090XYZ	BYER	18	Modify	Inclusion in position	P=Position
Market transaction	07/04/2021	07/04/2021	08/04/2021	-	07/04/2021	29/04/2021	01/04/2021	123ABCD	SLLR	2	Modify	Early termination	T=Trade
EOD position	07/04/2021	07/04/2021	08/04/2021	-	-	27/05/2021	05/04/2021	8090XYZ	BYER	16	Modify	Early termination	P=Position
Market transaction	08/04/2021	08/04/2021	09/04/2021	08/04/2021	-	27/05/2021	05/04/2021	123ABCDEF	SLLR	3	Terminate	Credit event	T=Trade
EOD position	08/04/2021	08/04/2021	09/04/2021	-	-	30/04/2021	05/04/2021	8090XYZ	BYER	13	Modify	Credit event	P=Position

** The position ends when reaches its maturity date or another situation happens. In this last situation an action type "Terminate" and the proper Event Type should be reported.

148. At position level, the Venue of execution field, should be populated with the MIC code (defined by ISO 10383) of the venue where the highest number of derivatives that are included in the reported position were executed.

149. A derivative that is a result of PTRR exercise, should be reported at trade level.

150. ESMA reiterates that reporting at position level is a different business case than reporting of PTRR events, both with different reporting rules. The below table highlights the key differences between the two instances:

TABLE 7

#	Compression (or other PTRR techniques)	Reporting at position level
Applicability	Risk-reduction services (both cleared and uncleared derivatives)	CCP netting (both ETD and OTC)+ reporting of CfDs
2.154 Level	Derivatives entering the compression – trade or position, as applicable; derivatives resulting from a PTRR event are reported at trade level,	Initial reports (action type N or P) at trade level, resulting position and subsequent lifecycle events – at position level
Linking of reports	2.5 PTRR ID	2.4 Subsequent position UTI

151. From the point of view at position level the issues related to reconciliation are:

152. Different Execution timestamps of derivatives at position level result in reconciliation problems. Thus, clear guidance for position level reporting is crucial.

153. It has been observed that some reconciliation problems at position level arise from the divergent inclusion of derivatives at trade level in the position by the counterparties involved. In these cases, the counterparties involved do not include exactly the same derivatives and/or the method of inclusion is different resulting in different values in the exposure fields such as notional, market value, margins, etc. For solving these kinds of issues and as it is mentioned in the Reconciliation section of this guideline, the notification from the TRs to the relevant counterparties to the position regarding any reported fields which did not reconcile and the agreement of the counterparties involved about the reporting, are of major importance.

154. Clearing timestamp often leads to reconciliation breaks at position level. When a position is created, it brings together several different trades with different Clearing timestamps. As proposed above in this section, a possible solution for this field, at Position level, could be to fill this Clearing timestamp field for the entire position using the date of the Execution timestamp of the position..

155. Derivatives reported with action type 'Position component' for which no report with action type 'Revive' was received, are removed from the reconciliation process after thirty days. Further details are provided in the Reconciliation section of this guideline.

156. One of the feedbacks to the Consultation Paper on the technical standards on reporting, data quality, data access and registration of TRs under EMIR REFIT (CP on RTS/ITS) was that a few respondents proposed to focus reconciliation on position level, because it is where the systemic risks lie, as well as to reconcile only the most relevant fields in the case of ETD positions because this kind of derivative is mainly reported at position level and a few fields for reconciliation purpose are needed. ESMA took note of these suggestions, recalling the need to reconcile all outstanding derivatives and derivatives matured or terminated in the last 30 calendar days, at both levels: trade and

position; and stated that will take into account a review of the fields for reconciliation in either of the two reconciliation phases that will be established.

157. Another suggestion made in the feedback to the CP on RTS/ITS was to distinguish reconciliation information provided by TRs between ETD trades and ETD positions, and to focus on ETD position information. As indicated previously such limitation of reconciliation is not envisaged, however ESMA will explore ways to include information on the type of derivatives as part of the reconciliation feedback.

158. In addition, another respondent recommended to include the date of the position if the proposed categories also apply to ETD position reconciliation. ESMA agreed that the last event date should be included into the reconciliation feedback at the level of each derivative.

159. Further details are provided in the section 8.2 of this consultation paper.

Q25. Do you agree with the ESMA´s approach related to leaving the Event type blank in the case of multiple events impacting the same position on a given day? How often multiple events/single events impact the same position on a given day? Have you assessed the single versus multiple events impacting positions on a given day? Do you have systems or methods to distinguish between one or multiple events impacting the positions on a given day?

Q26. Do you agree with the proposed clarifications concerning population of certain fields at position level?

Q27. Do you need any other clarification with regards to the position level reporting?

5.8 Reporting of on-venue derivatives

160. The ETD contracts are derivative contracts subject to the rules of a trading venue (as defined in Article 4(1)(24) of the Directive 2014/65/EU) and are executed in compliance with those rules. For the purpose of reporting of 'on-venue derivatives', account is also taken of similar trading platforms outside the EU. The trading venue´s rules provide the execution and processing of the contract on the trading venue and the subsequent clearing on a central counterparty clearing house (CCP) within one business day of execution.

161. In order to allow authorities to identify and analyse risk positions, the counterparties where the risk lies once the contract has been concluded should be clearly identifiable. Under the principal clearing model, upon clearing, the risk lies on the clearing member ("CM") vis-à-vis the CCP and on the client of the CM vis-à-vis the CM. For this reason the following parties have EMIR reporting obligations:

a. The CCP clearing the derivative contract.

b. The clearing members of the CCP that are clearing the derivative contract.

c. The MiFID investment firms involved in the trade chain anytime they bear the risk arising from the derivative by virtue of its contractual relationship with their counterparties (in particular, with the clearing member).

d. Other parties that do not fall into any of the categories above and that take the risk arising from the derivative, except when they are exempt because of their status.

162. If one of these parties assumes more than one role (e.g. an investment firm is also the clearing member), it should submit one report identifying all the applicable roles in the relevant fields, it does not have to report separately for each role.

Examples:

Scenario 1: the investment firm bears the risk vis-à-vis the CM and, thus, is itself a counterparty. In this case the following reports should be submitted:

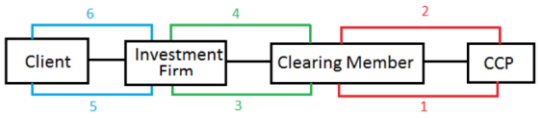


TABLE 8

Report	Entity responsible for reporting	UTI	Report tracking number	Counterparty 1 (Reporting counterparty)	Counterparty 2	Broker ID	Clearing member	Direction	Venue of execution	Central counterparty
1	Clearing member	A0001	102030	Clearing member	CCP		Clearing member	BYER	MIC	CCP
2	CCP	A0001	102030	CCP	Clearing member		Clearing member	SLLR	MIC	CCP
3	Investment firm	B0002	102030	Investment firm	Clearing member	Investment firm	Clearing member	BYER	MIC	CCP
4	Clearing member	B0002	102030	Clearing member	Investment firm	Investment firm	Clearing member	SLLR	MIC	CCP
5	Client	C0003	102030	Client	Investment firm	Investment firm	Clearing member	BYER	MIC	CCP
6	Investment firm	C0003	102030	Investment firm	Client	Investment firm	Clearing member	SLLR	MIC	CCP

Scenario 2: the investment firm does not bear any risk vis-à-vis the clearing member as, according to the legal arrangements, the client directly bears the risk vis-à-vis the clearing member, once the latter accepts the contract for clearing.

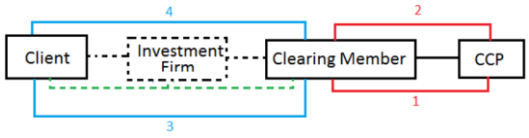


TABLE 9

Report	Entity responsible for reporting	UTI	Report tracking number	Counterparty 1 (Reporting counterparty)	Counterparty 2	Broker ID	Clearing member	Direction	Venue of execution	Central counterparty
1	Clearing member	A0001	102030	Clearing member	CCP		Clearing member	BYER	MIC	CCP
2	CCP	A0001	102030	CCP	Clearing member		Clearing member	SLLR	MIC	CCP
3	Client	B0002	102030	Client	Clearing member	Investment firm	Clearing member	BYER	MIC	CCP
4	Clearing member	B0002	102030	Clearing member	Client	Investment firm	Clearing member	SLLR	MIC	CCP

163. Where a give-up occurs from the investment firm to the clearing member within the T+1 reporting deadline without any change in the economic terms of the original trade, the trade

should be reported notifying its post give up state. It means that the investment firm does not bear any risk vis-à-vis the clearing member, thus the client bears directly the risk vis-à-vis the clearing member, if there are legal and clearing arrangements between them. ESMA also reiterates that relevant events impacting derivatives reported at trade level must be reported accordingly (e.g. allocation of trades).

164. Partial executions should be reported separately, because parameters and counterparties will be different.

165. The Report Tracking Number (RTN) is a unique code assigned to the execution of a trade. Also, it is common for a group of reports related to the same execution. It is a mandatory field for action type 'POSC' at the trade level. The generation of the RTN should be made by a trading venue.

166. The investment firms, the clearing members or the CCPs should provide to the reporting counterparties the respective RTNs. Likewise, the reporting counterparties should transmit the RTNs to their counterparties to allow them to fulfil their reporting obligations.

167. The timestamps fields should be populated as follows:

a. The Execution timestamp should correspond to the time of execution on the trading venue.

b. The Clearing timestamp should be reported as the time at which the CCP has legally taken on the clearing of the trade. When clearing takes place using the open offer model, the Clearing timestamp and the Execution timestamp used are expected to be the same. However, if clearing takes place using novation, the two timestamps may be different.

168. The counterparty 1 and the entity responsible for the report should report the fields related to the value of the collateral for ETDs, i.e Initial margin posted, Initial margin received, Variation margin posted, Variation margin received, Excess collateral posted and Excess collateral received, etc..

169. An investment firm is not expected to submit any report on the value of the collateral as well as any subsequent modification or termination of the concluded derivative contract when the process of collateralisation takes place through direct arrangements between the client and the clearing member. .

170. Lifecycle events are useful to ensure full understanding of the derivative data. However, in the case of ETD reports, this does not imply that all intraday lifecycle events have to be reported. All information should be reported at the end of the day (EOD) in the state that it is in at that point. Intraday reporting is not mandatory.).

171. The Report Tracking Number (RTN) is a unique code assigned to the execution of a trade and it is common for a group of reports related to the same execution. The Unique Trade ID (Unique Trade Identifier, UTI) is a unique code per derivative contract between two counterparties. A pair of counterparties should use a specific UTI for one single contract, and not reuse that same UTI to report any other trade under EMIR. The same principle applies to the UTIs generated for the derivatives reported at position level. The

UTI must be identical in the reports of both counterparties entering into a derivative. Further details about Unique Trade ID (UTI) are provided in the section 5.11.

172. For NFCs to indicate whether the trade is directly linked to commercial activity or treasury financing should be reported for both types of derivative contracts: ETD and OTC. In this manner a better quality of information is provided in order to comply with the Article 10(3) of EMIR. This information will always be populated at trade level.

Q28. Are there any other aspects that should be clarified with regards to reporting of on-venue derivatives?

5.9 Timely reporting of conclusion, modification and termination of a derivative

173. Article 9(1) of EMIR provides that '"Counterparties and CCPs shall ensure that the details of any derivative contract they have concluded and of any modification or termination of the contract are reported (…) to a trade repository (…)". Furthermore, the relevant details should be reported "no later than the working day following the conclusion, modification or termination of the contract.

Conclusion of a derivative

174. Each conclusion of a derivative should be reported to a TR. If a derivative that is concluded is subsequently terminated, then the counterparties after reporting it with action type 'New' should report it with action type 'Terminate'. If the original derivative was reported with the action type 'Position Component' and is subsequently terminated, the counterparties should not send a report with action type 'Terminate' for the original derivative, however the counterparties should send a report with action type 'Modification' for the position in which the original derivative was included in order to remove this derivative from the position.

175. Counterparties should report the conclusion of a derivative even if the termination of that derivative occurs before the reporting deadline (e.g. for intraday derivatives). In such case the counterparty should send, within the same reporting deadline, two reports: one with action type 'New' and one with action type 'Terminate'. If the derivative is terminated on the same day due to inclusion in a position, the counterparty should send only one report for that derivative, with action type 'Position component'.

176. Action type 'Error' should only be used to cancel the derivatives that never came into existence or that are out of the scope of the reporting obligation under EMIR. In the specific scenario where the counterparties agree to conclude a derivative which is conditional upon registration with the CCP and the CCP rejects that derivative, the counterparties should terminate the derivative with Action Type "Error" because the agreed condition for the contract to take place was not fulfilled, therefore the derivative never came into existence.

Q29. Do you agree with the proposal for reporting conclusion of derivatives? Please detail the reasons for your response

Modification or correction of a derivative

177. A modification to a derivative comprises the reporting of the following action types: “Modify” and “Correct”. The timeline for reporting is the same as for the conclusion of a derivative, meaning that from the point in time when a modification is effective, it becomes reportable.

178. Counterparties should report only the modifications that have taken place, i.e. they should not report modifications that were agreed but will become effective in the future. To give an example, if the counterparties agree to amend the notional on a future date, this amendment should be reported only once the agreed date (the effective date of amendment) is reached.

179. With respect to correction, these should be reported as soon as the incorrectly reported data is identified. It is not necessary to send a correction report if, following a modification of a derivative, a counterparty has introduced incorrect information only in its own internal systems – in such cases that counterparty should only send the modification report containing final, correct data (i.e. does not have to send modification report with the incorrect data and then correction).

Q30. Do you agree with the proposal for reporting modifications and corrections to derivatives? Please detail the reasons for your response.

Reporting of margin and valuation updates

180. In the case of valuation updates, the counterparties should send daily valuations by the end of the working day following the date of the valuation and populating the date of valuation date in the field “Event date”.

181. Margin updates should be sent daily and counterparties should populate the field ‘Event date’ with the date for which the margin update is reported (i.e. margin update report should reflect the state of margins at the end of that day). Margin updates should be reported when they become effective, i.e. on the expected settlement date, and they should include any margin that is in transit and pending settlement, without considering temporary settlement failures.

182. In the specific case of margins pre-paid to a CCP in advance of a portfolio of cleared trades, these should be reported on T+1 of the first applicable derivative in the related portfolio (linked by a portfolio code), rather than on the day following the date on which it was lodged.

183. More generally, no margins should be reported if there is no outstanding derivative covered by those margins.

Termination of a derivative

184. Counterparties should not send a report with Action Type “Terminate” when a derivative reaches its maturity date and therefore is no longer outstanding. Once the maturity date is reached, the derivative will be automatically treated as non-outstanding.

185. If the counterparties agree to terminate a derivative prior to the maturity date or to terminate the open term derivative, they should either:

a. Submit a report with Action Type “Terminate” where the agreed termination date is for the same day as the notice of termination, or

b. Submit a report with Action Type “Modify” where the agreed termination date is the following day or later. In this case, the counterparties should modify the maturity date accordingly.

186. The counterparties should not send a report with Action Type “Terminate” if the termination date falls on the maturity date. This includes e.g. when a counterparty exercises an option on the maturity date.

187. In a case of a netted position, counterparties may either decide to keep it open and report valuation on a daily basis or to terminate such position (and report with action type ‘New’ and new UTI in case it needs to be reopened). Both counterparties should report consistently. This aspect is covered in more detail in the section 5.7.

Event date

188. specifies what should be reported as ’Event date’ for each action type. The event date, by definition, also indicates what is a trigger for reporting, e.g. the valuation date in the case of valuation updates. The actual reports should be submitted by the end of the working day following the event date.

Table 10

Action Type	Event date
New	Date of conclusion of the derivative or date of creation of a position
Modify	Effective date of modification
Correct	Date from which the correction should apply (typically the date for which previous incorrect data was reported)
Terminate	Date on which termination becomes effective
Error	Date of reporting of Error
Revive	Date of reporting of Revive
Valuation	Valuation date
Position component	Date of conclusion of the derivative and of its inclusion in the position
Margin update	Expected settlement date

189. It should be noted that ‘Event date’ is critical for the correct understanding of sequences of lifecycle events, in particular when counterparties have not reported all events in a chronological order (e.g. when due to an omission they report some events late).

190. Consequently, ‘Event date’ must be taken into account by the TRs for the purpose of constructing the Trade State Report of a derivative. In principle, the following two approaches can be envisaged:

a. Approach A: TRs take into account the events that were reported on the same day or the day before for the purpose of constructing the TSR and they update the TSR based on the chronological order of submissions from these two days. This approach has been implemented under SFTR. It removes part of the complexity of treatment by the TRs of late reports, however it requires counterparties to introduce workarounds to account for specific scenarios, e.g. when counterparties report late and no other event took place in the meantime, they need to ‘restamp’ a record and send an additional report (see SFTR Q&A 6)[17].

b. Approach B: TRs take into account the events based on the chronological order derived from the ‘Event date’.

191. The two approaches are described in more detail in the section 8.1 dedicated for TRs. However, it is important to understand the advantages and disadvantages of the two approaches from the perspective of both TRs and counterparties, therefore the reporting entities are invited to consider the question on this matter included in the section 8.1.

Q31. Do you agree with the specification of the ‘Event date’ for different action types?

5.10 Mapping business events to action types and levels

192. ESMA provides below a mapping between business events and the corresponding action types and event types the counterparties should use in connection with the respective events.

193. contains a column ‘Reportable?’ which provides clarifications on the reportability of each event. As a general rule, however, counterparties should report any new trades that fall under the reporting scope and any modification that affects the reported details.

194. Some of the business events (e.g. the default of other counterparty) might differ from a general case presented in the table. Hence, actual sequence of the reportable events might in some cases differ from the given examples and should always reflect the real-world events as closely as possible.

195. When reporting early termination events (due to e.g. full termination or early exercise of the derivative contract), counterparties should choose the reportable action type based

[17] https://www.esma.europa.eu/sites/default/files/library/esma74-362-893_qas_on_sftr_data_reporting.pdf

on the effective date of the event. If the agreed termination date is for the same day as notice of termination, counterparties should use the 'Terminate' action type. If the agreed event takes place in the future, counterparties should use 'Modify' action type and update the maturity date to reflect the agreed-upon termination date.

Table 11						
Category	**Business Event**	**Detail**	**Reportable?**	**Action Type**	**Event Type**	**Comment**
Amendments and Cancellations	Amendment (i.e. Correction)	Amending details that were originally input incorrectly	Yes, if affects reported details	Correct		
	Economically Immaterial Amendment		Yes, if affects reported details	Modify	Trade	
	Economically Material Amendment		Yes, if affects reported details	Modify	Trade	
	Cancellation	Trade booked in error and subsequently cancelled.	Yes	Error		
Trade events	New Trade		Yes	New	Trade	
	Increase	A bilaterally executed agreement to increase the notional on the transaction	Yes	Modify	Trade	
	Full Termination	Full Unwind	Yes	Terminate/Modify	Early termination	

Table 11						
Category	**Business Event**	**Detail**	**Reportable?**	**Action Type**	**Event Type**	**Comment**
	Partial Termination	Partial Unwind	Yes	Modify	Early termination	
	Allocation	Original Unallocated "Block" Trade allocated to principal parties.	Yes	Terminate/Modify	Allocation	
	Cleared Positions	Original Bilateral Trade (the "alpha" trade)	Yes	Terminate	Clearing	
		Cleared Position ("beta" and "gamma" trades)	Yes	New	Clearing	
	Full Novation	Remaining party	Yes	Modify	Step-in	
		Step in	Yes	New	Step-in	
		Step out	Yes	Terminate	Step-in	
	Partial Novation	Remaining party	Yes	Modify	Step-in	
		Step in	Yes	New	Step-in	
		Step out	Yes	Modify	Step-in	
	Give-up/Take-up	Remaining party	Only if the event takes place later than the reporting deadline (T+1)	Modify	Step-in	
		Step in		New	Step in	
		Step out		Terminate	Step in	
	Position Transfer	Remaining party	Only if the event takes	Modify	Step in	

Table 11						
Category	**Business Event**	**Detail**	**Reportable?**	**Action Type**	**Event Type**	**Comment**
		Step in	place later than the reporting deadline (T+1)	New	Step in	
		Step out		Terminate	Step in	
	Swaption Exercise	Exercise of a Swaption	Only if exercise takes place before original expiration	Terminate	Exercise	
		Resulting Swap from the exercise of a Swaption.	Yes	New	Exercise	
	Compression Event	Original Trade - Terminated	Yes	Terminate	PTRR	
		Original Trade - Amendment	Yes	Modify	PTRR	
		New resultant trade	Yes	New	PTRR	
	Cash Settlement	The actual cash settlement of fees, payments, etc	No			
	Maturity of Contract	Derivative contract expiring on the original maturity date	No			Contract is automatically updated to non-outstanding state by the TR
Intrinsic changes	Amortizing Notionals	Changes to the notional during the course of a trade.	No (the amortizing schedule is already reported			

Table 11						
Category	**Business Event**	**Detail**	**Reportable?**	**Action Type**	**Event Type**	**Comment**
			at the conclusion of the trade)			
	Dividend Resets		No			
	Equity Resets		No			
	Rate Resets	Changes to the floating rate of a trade	No			
Other	Successor Events	The reference entity specified in the transaction is succeeded by another entity.	Yes	Modify	Corporate Event	
	Credit Events	Default on a transaction e.g., bankruptcy/restructuring/ obligation default.	Yes	Modify/Terminate	Early Termination	Defaulting other counterparty
			Yes	Modify/Terminate	Credit Event	Defaulting reference entity
	Corporate Actions	Bonus Issue/Capitalisation issue	Yes, if the reported underlying identifier (e.g. ISIN or LEI) or other trade terms change	Modify	Corporate Event	Assuming the corporate action takes place in the underlying instrument/issuer
		Special Dividend		Modify	Corporate Event	
		Spin-Off		Modify	Corporate Event	
		Stock Split/Change in nominal value		Modify	Corporate Event	

Table 11						
Category	**Business Event**	**Detail**	**Reportable?**	**Action Type**	**Event Type**	**Comment**
		Reverse Stock split/Change in nominal value		Modify	Corporate Event	
	Conversions	Parties mutually agreeing and consenting to a conversion which results in a material amendment. Example would be swap on an ADR that is converted to swap on the underlying stock as agreed by both parties, or a stock is dual listed and is converted from a GBP line to a HK line as agreed by both parties.	Yes	Modify	Trade	
	Publicly Traded / Listed Swap Index	Swap is removed/changed in the index by the administrator of the index (i.e. not at the discretion of the dealer or counterparty). Example would be quarterly roll for index CDS. Would not include rebalancing of the index	No, if the underlying identifier or other trade terms do not change			
	Customized Basket Index Swap	Constituents of the basket are changed at the discretion of the dealer or counterparty.	Yes	Modify	Trade	

Table 11						
Category	**Business Event**	**Detail**	**Reportable?**	**Action Type**	**Event Type**	**Comment**
		Example would be rebalancing the basket by closing a swap on an old ticker and booking that swap on a new ticker.				
Portfolio Swap	Addition of Reference Underlyer to Long Portfolio or Short Portfolio	Creation of a new swap contract on Security XYZ.	Yes	New	Trade	Assuming the portfolio components are reported as individual swaps (potentially part of a complex trade)
	Removal of Reference Underlyer from Long Portfolio or Short Portfolio	Partial or full termination of existing swap contract on Security XYZ.	Yes	Terminate/Modify	Early termination	
	Increase in Notional Amount for Existing Reference Underlyer	Increasing long or short exposure to Security XYZ.	Yes	Modify	Trade	
	Decrease in Notional Amount for Existing Reference Underlyer	Decreasing long or short exposure to Security XYZ in a portfolio swap wrapper.	Yes	Modify	Trade	

Q32. Do you agree with the interpretation of the business events and the suggested action and event types?

Q33. Are there other business events that would require clarification? If so, please describe the nature of such events and explain how in your view they should be reported under EMIR (i.e. which action type and event type should be used).

5.11 UTI generation

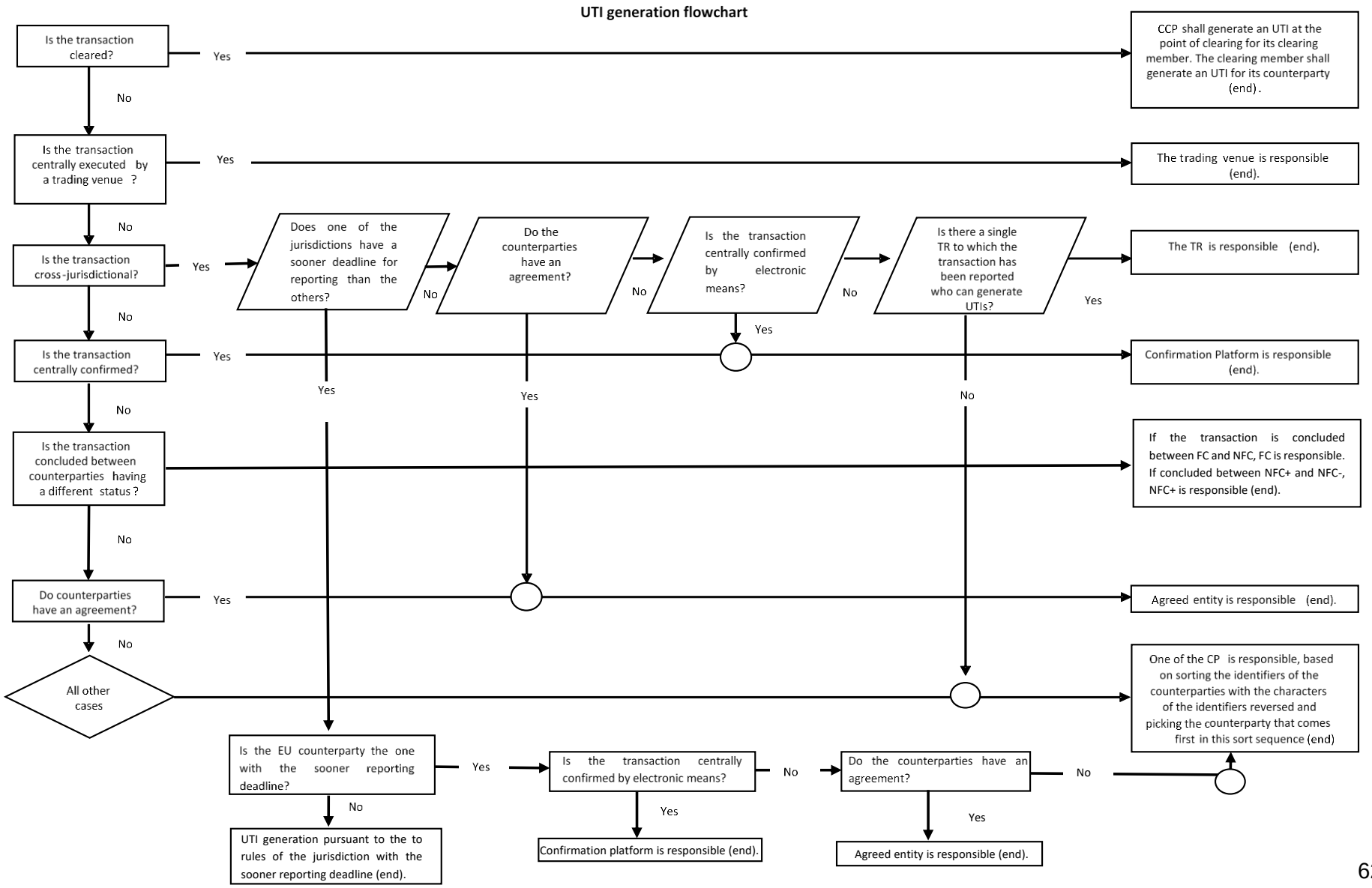
196. Timely generation and communication of the UTI is crucial to ensure that counterparties can comply in a timely manner with their reporting obligation. Where one of the counterparties is responsible for the generation of the UTI, both counterparties should make the necessary arrangements in order for the generating counterparty, to timely generate the UTI, use it in its own reporting and communicate it to the other counterparty, and for the receiving counterparty, to ingest the UTI and use the same UTI (without alteration or truncation) in its own reporting.

197. In case the generating party fails to generate or communicate the UTI in due time, which is 10:00 am UTC on T+1, in order to meet the reporting deadline, the receiving party should contact the generating party and enquire about the process instead of reporting using an UTI generated on its own.

198. The below flowchart illustrates how the counterparties should determine the entity responsible for the UTI generation in accordance with the Article 7 of the draft ITS on reporting.

1.

UTI generation flowchart



199. If the entity responsible for the generation of the UTI (e.g. a third-country venue or a confirmation platform) is not subject to EMIR and is not able/willing to generate the UTI, the parties should follow the next step in the UTI-generation waterfall. If the final step of the waterfall assigns the responsibility to an entity that is not subject to EMIR and is not able/willing to generate the UTI and the other counterparty is not an EU counterparty, the reporting counterparty should generate an UTI on its own in order to meet the reporting deadline.

200. For determining the jurisdiction with the sooner reporting obligation, each counterparty could assess the reporting deadline according to its own time zone (so called 'execution clock' approach).

201. Example 1:

Counterparty 1 in Time zone UTC +1

Counterparty 2 in Time zone UTC -5

Trade date 15 March 9:00 in Time zone UTC +8

Counterparty 1 has reporting requirement in T+1, so must report by 16 March 24:00 UTC+1, which is equivalent to 16 March 23:00 UTC

Counterparty 2 has reporting requirement in T+1, so must report by 15 March 24:00 UTC -5, which is equivalent to 16 March 5:00 UTC. Counterparty 2 has the earlier deadline

202. Example 2:

An EU entity located in CET time zone concludes an OTC derivative with a UK counterparty (time zone GMT).

Trade date 15 March 11:00 in UTC +0.

The contract is a pure OTC derivative, and according to the waterfall, the entity with the earliest reporting deadline has to generate the UTI.

EU Counterparty has reporting requirement in T+1, so must report by 16 March 24:00 UTC+1, which is equivalent to 16 March 23:00 UTC

UK Counterparty (assuming T+1 reporting deadline) has reporting requirement in T+1, so must report by 16 March 24:00 UTC.

In this case, this would be for the entity located in CET time zone to generate the UTI (though with only one-hour difference).

203. However, other ways to interpret the 'sooner reporting deadline' are possible:

a. The 'semantic' approach, where a T+1 end of day reporting deadline is equivalent to any other T+1 end of day reporting deadline, whatever the time

zone of the counterparties. In both examples above, the counterparties would have to follow the next step in the waterfall.

b. The 'follow the sun' interpretation, whereby there is a static order of jurisdictions, based e.g. on the timezones (i.e. Asian jurisdiction would always be deemed to have a sooner reporting deadline than EU, EU sooner than UK, UK sooner than US etc.).

Q34. Which approach do you prefer to determine the entity with the soonest reporting deadline? Please clarify the advantages and challenges related to each of the approaches.

204. When the process leads to the 'counterparty agreement' step, the counterparties may decide e.g. that always one of them will be generating the UTI or may decide to apply other commonly agreed rules, including a tie-breaker logic of their choice. The chosen logic should be straightforward enough to ensure clear determination of the counterparty responsible for the UTI generation in all cases.

205. The solution of last resort determines the UTI generating entity by sorting the LEI identifiers in reversed order. For this purpose, the counterparties should use the ASCII sorting method, where a digit always precedes a letter:

Table 12		
	Example 1	**Example 2**
LEI	CP1: 1111ABCDEABCDEABC123 CP2: 1111AAAAABBBBBCCC23	CP1: ABCDEABCDEABCDE12345 CP2: ABCDEABCDEAAAAA12344
LEI in the reversed order	321CBAEDCBAEDCBA1111 32CCCBBBBBAAAAA1111	54321EDCBAEDCBAEDCBA 44321AAAAAEDCBAEDCBA
Sorted on a character by character basis, a digit comes always before a letter (ASCII order)	321CBAEDCBAEDCBA1111 because "1" (digit) comes before "C" (letter)	44321AAAAAEDCBAEDCBA because "4" comes before "5"

Q35. Are there any other aspects that need to be clarified on UTI generation?

5.12 Determining counterparty side

206. Article 4 of the draft ITS on reporting provides that the counterparty side to the derivative contract shall be determined at the time of the conclusion of the derivative on the basis of the type of contract concluded.

207. Based on the above, counterparties should determine the counterparty side at the time of the conclusion of the derivative and report either Buyer/Seller in field Direction or Payer/Receiver in field Direction of Leg 1 and Direction of Leg 2 depending on the type of contract concluded, as provided in the table below.

208. Counterparties, once determined the counterparty side, should report the fields related to Direction, Direction of Leg 1 and Direction of Leg 2 with the opposite values. It is expected that the counterparty which reports Payer as Direction of Leg 1 should report Receiver as Direction of Leg 2 and vice versa.

209. This means that in case where the two counterparties concluded a contract which requires the population of the field Direction, if the counterparty 1 reports Buyer as Direction, the other counterparty to the contract should report Seller and vice versa.

210. Similarly, assuming that counterparties should agree on the consistent way of reporting of the respective legs of the derivative, in case where the two counterparties concluded a contract which requires the population of the fields Direction of Leg 1 and Direction of Leg 2, if the counterparty 1 reports Payer/Receiver as Direction of Leg 1 and Receiver/Payer as Direction of Leg 2, the other counterparty to the contract should report Receiver/Payer as Direction of Leg 1 and Payer/Receiver as Direction of Leg 2. Please refer to the section 8.2.4 for more detailed discussion concerning the reporting and reconciliation of derivatives with two legs.

Table 13 Use of Direction fields per product type

Type of contract	Direction	Direction of leg 1	Direction of leg 2
Option	Buyer/Seller	-	-
Swaption	Buyer/Seller	-	-
Currency Forward	-	Payer/Receiver	Receiver/Payer
Currency Swap	-	Payer/Receiver	Receiver/Payer
Forward	Buyer/Seller		
Future	Buyer/Seller		
CFD	Buyer/Seller		
Spreadbet	Buyer/Seller		

Table 13 Use of Direction fields per product type			
Type of contract	**Direction**	**Direction of leg 1**	**Direction of leg 2**
Dividends Swap	Buyer/Seller		
Securities Swap		Payer/Receiver	Receiver/Payer
Interest Rate Swap		Payer/Receiver	Receiver/Payer
Inflation indices Swap		Payer/Receiver	Receiver/Payer
Cross-currency Swap		Payer/Receiver	Receiver/Payer
Instrument for the transfer of credit risk (except options and swaptions)	Buyer/Seller		
Commodities Swap		Payer/Receiver	Receiver/Payer
Forward Rate Agreement		Payer/Receiver	Receiver/Payer
Derivatives related to variance, volatility and correlation	Buyer/Seller		

211. In relation to the action types 'Valuation' (VALU) and 'Margin Update' (MARU) the fields Direction, Direction of Leg 1 and Direction of Leg 2 do not have to be reported.

212. When a position is the result of netting of the position to 0, if the counterparty 1 concluded a contract which requires the population of field Direction and was the seller in the derivative concluded at trade level, the counterparty 1 should report Seller in the Direction field. The other counterparty, in the same scenario, should report Buyer in the Direction field as it was the Buyer in the derivative concluded at trade level that resulted in the netting of the position. Similarly, where the counterparty 1 concluded a contract at trade level which requires the population of fields Direction of Leg 1 and Direction of Leg 2 and was the receiver in the Leg 1 of the derivative concluded at trade level, the counterparty 1 should report Receiver in the Direction of Leg 1 and Payer in the Direction of Leg 2. The other counterparty, in the same scenario, should report Payer in the Direction of Leg 1 and Receiver in the Direction of Leg 2 as it was the Payer in the Leg 1 of the derivative concluded at trade level that resulted in the netting of the position. Below, an example of reporting:

Scenario 1: type of contract in which the Direction field should be populated

TABLE 14

ID	Reporting Date	CP 1	CP 2	UTI	Notional	Direction	Direction of Leg 1	Direction of Leg 2	Level	Action Type	Event Type
1	08/04/2021	Counterparty A	Counterparty B	123	100.000	Buyer	-	-	Transaction	POSC	-
2	08/04/2021	Counterparty A	Counterparty B	ABCD	100.000	Buyer	-	-	Position	NEW	Inclusion in Position
3	08/04/2021	Counterparty A	Counterparty B	ABCD	100.000	-	-	-	Position	VALU	-
4	08/04/2021	Counterparty A	Counterparty B	ABCD	100.000	-	-	-	Position	MARU	-
5	09/04/2021	Counterparty A	Counterparty B	EFGH	100.000	Seller	-	-	Transaction	POSC	-
6	09/04/2021	Counterparty A	Counterparty B	ABCD	0	Seller			Position	MODI	Inclusion in Position

Scenario 2: type of contract in which the Direction of Leg 1 and Direction of Leg 2 should be populated:

TABLE 15

ID	Reporting Date	CP 1	CP 2	UTI	Notional	Direction	Direction of Leg 1	Direction of Leg 2	Level	Action Type	Event Type
1	08/04/2021	Counterparty A	Counterparty B	123	100.000	-	Payer	Receiver	Transaction	POSC	-
2	08/04/2021	Counterparty A	Counterparty B	ABCD	100.000		Payer	Receiver	Position	NEW	Inclusion in Position
3	08/04/2021	Counterparty A	Counterparty B	ABCD	100.000	-	-	-	Position	VALU	-
4	08/04/2021	Counterparty A	Counterparty B	ABCD	100.000	-	-	-	Position	MARU	-
5	09/04/2021	Counterparty A	Counterparty B	EFGH	100.000		Receiver	Payer	Transaction	POSC	-
6	09/04/2021	Counterparty A	Counterparty B	ABCD	0		Receiver	Payer	Position	MODI	Inclusion in Position

Q36. Are there any other types of contracts for which the determination of the counterparty side needs more clarity?

Q37. Are there any other clarifications required with regard to the determination of the counterparty side (other than specific aspects covered in other sections)?

5.13 Identification of counterparties

213. Article 3 of the the draft ITS on reporting provides that the counterparty 1 to a derivative and the entity responsible for reporting shall ensure for the purpose of reporting the conclusion or modification of a derivative that the reference data related to its ISO 17442 LEI code is renewed in accordance with the terms of any of the accredited Local Operating Units of the Global LEI System.

214. Furthermore, according to the Article 3 of the draft ITS on reporting, the ISO 17442 Legal Entity Identifier (LEI) code should be used to identify a broking entity, a CCP, a clearing member, a counterparty which is a legal entity, a report submitting entity, an entity responsible for reporting, and a post-trade risk reduction service provider.

215. Article 9(5) of EMIR provides that at least the identities of the parties to the derivative contracts should be reported. This requirement cannot be waived. Therefore, a counterparty dealing with counterparties that cannot be identified because of legal, regulatory or contractual impediments, would not be deemed compliant with Article 9(5) of EMIR.

216. It should be noted that the counterparties reporting under EMIR should always identify themselves with the LEI of the headquarters, given that the legal responsibility for reporting always lies on the legal entity and not on the branch.

217. In order to reduce reporting issues due to lapsed LEI, the LEI code of the counterparty 1 and the entity responsible for reporting should be duly renewed and maintained according to the terms of any of the endorsed LOUs (Local Operating Units) of the Global Legal Entity Identifier System.

218. Entities other than the counterparty 1 and the entity responsible for reporting could be reported with a lapsed LEI. The only cases where the counterparty 1 or the entity responsible for reporting could send a report irrespective of the registration status of the LEI are action type ‘Terminate’ (TERM) or ’Error’ (EROR) since the TR validation check of the status does not apply to such cases.

219. The country to be reported in the field *"Country of the counterparty 2"* should be the country of the legal address of the entity and should not refer to its headquarters country, unless headquarters and legal address countries coincide.

220. Similarly, *"Corporate sector of the counterparty 1"* and *"Corporate sector of the counterparty 2*" should be populated with the sector of the counterparty itself and should not refer to the sector of its branch.

221. In case a natural person not acting in business capacity is the other counterparty to the derivative contract, a client code should be used. Client codes should be reported only when the field "Counterparty 2 identifier type" is populated with FALSE.

222. If the counterparty 2 is subject to the reporting obligation under EMIR, the field "Reporting obligation of the counterparty 2" should be populated with TRUE since the indicator of the reporting obligation is independent from the allocation of responsibility for reporting and from any delegation arrangement.

223. It should be noted that the field "Reporting obligation of the counterparty 2" has to be reported with FALSE when counterparty 2 to the derivative contract is a natural person not acting in business capacity, a non-EU counterparty or a non-EU CCP and entities referred in Article 1(4) of EMIR (BIS, Central Banks, etc) as provided in the table below.

Table 16

Counterparty 2	Reporting obligation of the counterparty 2
EU FC/NFC/CCP	TRUE
NON EU FC/NFC/CCP	FALSE
NATURAL PERSON NOT ACTING IN BUSINESS CAPACITY	FALSE
ENTITIES IN ART. 1(4) OF EMIR (BIS, CENTRAL BANKS, ETC)	FALSE
ENTITIES IN ART. 1(5) OF EMIR (MULTILATERAL DEVELOPMENT BANKS, ESM,ESF, ETC)	TRUE

224. Client codes should be reported as “LEI of Counterparty 1 + Internal Identifier of Individuals”, where such internal identifier should be unique at the level of the given reporting counterparty (counterparty 1), i.e. the client it is not expected to have one single internal identifier across all entities it trades with. Furthermore, the internal identifier adopted for the identifications of individuals should not contain or include any personal and sensitive data.

Q38. Are there any other clarifications requested with regards to the identification of counterparties?

5.14 Procedure when a counterparty undergoes a corporate action

225. Article 8 of the draft ITS on reporting stipulates that when a counterparty undergoes a corporate action resulting in the change of its LEI, that counterparty or the ERR or the entity to which reporting was delegated should notify the relevant TR of the change and request update of the LEI. Furthermore, Article 2 of the draft RTS on data quality provides that the trade repository to which the request , is addressed, shall identify the derivatives outstanding at the time of the corporate restructuring event where the entity is reported with the old identifier in the field “counterparty 1” or “counterparty 2 as informed in the relevant request and shall replace the old identifier with the new LEI in the reports relating to all those derivatives pertaining to that counterparty at the time of the corporate event.

226. Article 2 of the draft RTS also provides the procedure and the timeline to be followed by trade repositories in order to properly finalize the update of the LEIs for all the derivatives pertaining to the counterparty submitting the request under Article 8 of the draft ITS on reporting.

227. The LEI update should occur on the date of the corporate restructuring event. If the request to update the LEI due to a corporate event is received by the TR later than 30 days prior to the corporate event, the TR should perform the update as soon as possible and no later than 30 calendar days from receiving the request.

228. To ensure the timely communication between the entity involved in the update and its TR, the counterparty affected by the update should provide all the necessary information on the merger to its TR no later than 30 calendar days prior to the corporate event date.

229. In case the affected counterparty is a third country entity, the EU counterparty or entity responsible for reporting or the entity to which the EU reporting counterparty delegated the reporting should be responsible for communicating the change to the TR.

230. In addition, when a counterparty is not responsible and legally liable for reporting, the entity responsible for reporting is responsible for communicating the change to the TR. In case of delegation, the responsibility for communicating the change to the TR should belong to the report submitting entity.

231. It should be noted that where the affected counterparty does not have any contractual relationship with the TR, it should inform the report submitting entity or the entity responsible for reporting. Anyway, the responsibility for informing the TR can be specified by the relevant parties in a delegation act.

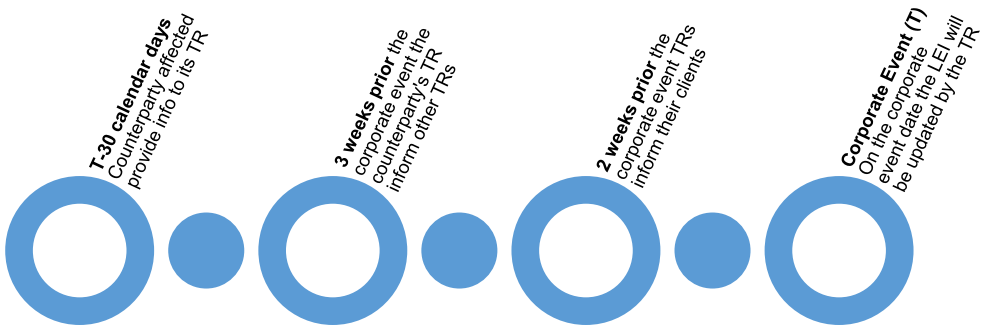
232. Furthermore, in order to ensure a proper communication process between TRs, the TR to which a request for update of a LEI is addressed should inform other TRs about a new LEI update execution not later than 3 weeks prior to the corporate event date.

233. To ensure a timely communication process between TRs and their clients, TRs should inform their clients about a new LEI update execution no later than 2 weeks prior to the corporate event date.

234. When the TR is broadcasting to its clients information about a corporate event, a reporting counterparty that has no contractual relationship with the TR should be informed

of such event without undue delay by the entity responsible for reporting or the report submitting entity, as applicable.

235. Entities involved in the update are expected to provide all the necessary information to their LOUs in order to ensure a proper and timely update of LEI in GLEIF database.



236. If the request was received later than thirty calendar days prior to the corporate event, the TR should update the LEI of all derivatives that were outstanding at the time the corporate event took place and between the corporate event date and the date TR performs the update. Therefore, also terminated/expired derivatives between the two dates should be updated.

237. If the affected entities are not counterparties or entities responsible for reporting but are involved in the derivatives (e.g. as a broker), these entities should provide to TRs either the list of UTIs affected by the change or, in case they do not possess this information, all the necessary details so that TRs are able to identify the impacted derivatives. In this case, the TRs should perform such an update only following a confirmation of the impacted records by the counterparty 1 or the entity responsible for reporting, thereof. Where the counterparty 1 or the entity responsible for reporting does not reply in due time for the performance of the update, but still needs to perform the update of the relevant details of this derivatives, it should do so by submitting the relevant report with action type MODI.

238. In case the corporate event affects only a subset of derivatives (e.g. spin offs), TRs should put in place common procedures for updating LEI data on those derivatives contracts that could be affected by partial changes of the LEIs. The responsibility for indicating which UTIs are affected by the change should remain with the counterparties or entities responsible for reporting.

239. Trades with the old LEI errored or terminated by mistake that are actually outstanding at the time of the corporate event should be “revived” before (or at the time of) the corporate event.

240. However, if the 30 day deadline for the use of action type "Revive" is expired before (or at the time of) the corporate event, the counterparty would need to re-report them with a new UTI before (or at the time of) the corporate event. In this specific case, the counterparty which has not errored/cancelled by mistake should terminate/error the trades accordingly and agree with the counterparty which errored/terminated by mistake on a new UTI.

Therefore, both counterparties should rereport the derivative with action type ‘New’ and a new UTI.

241. However, if the trades were not outstanding - irrespective of the reason - at the time of corporate event the counterparties would need to re-report them with a new UTI and an updated LEI.

242. TRs should produce any information about the update of the LEI, as specified in paragraph 3 (b) of Article 2 of draft RTS on data quality, in machine readable format in order to to favour a timely and automatic process of LEI update by the stakeholders (TRs, reporting counterparties, report submitting entities, entities responsible for reporting).

243. The procedure provided in Article 2 of the draft RTS on data quality and the timelines provided above should be followed also with reference to the scenario of update from BIC or other identifiers to LEI.

Q39. Are there any other aspects to clarify in the LEI update procedure when a counterparty undergoes a corporate action?

Q40. Are there any other aspects to be considered in the procedure to update from BIC to LEI?

5.15 Identification of products

General clarifications

244. As specified in the ITS on reporting, the derivatives that are admitted to trading or traded on a trading venue or a systematic internaliser should be identified in field 7 in Table 2 using an ISO 6166 International Securities Identification Number (ISIN) code. The remaining derivatives should be identified in field 8 of Table 2 using an ISO 4914 Uniqie Product Identifier (UPI) code. In this way each derivative product can be uniquely identified, while the counterparties are required to provide only one way of identification for a given product and consistency with MiFIR reporting requirements is retained.

245. Additionally, the counterparties should classify all derivatives using the ISO 10692 Classification of Financial Instrument (CFI) code (Field 9 of Table 2). Counterparties should always use official sources for the CFI. For this purpose, the CFI assigned by ANNA Derivatives Service Bureau (ANNA DSB) or the relevant National Numbering Agency (NNA) should be used. Further information can be obtained from ANNA DSB (https://www.anna-dsb.com/ufaqs/cfi-code/), from ANNA (http://www.annaweb.org/standards/about-identification-standards/), or from the relevant NNA of the derivative.

246. Counterparties should report only valid CFIs. If the CFI does not exist in the official sources, then it should be agreed between the counterparties, as the CFI is a reconciliable field.

Identification of FX swaps

247. If the counterparties enter into an FX swap (regardless of how the product has been subsequently confirmed or settled), they should report it in a single report and identify the product with the UPI or ISIN pertaining to that FX swap. It should be noted that the UPI technical guidance explicitly envisages FX swaps as a separate product, thus there is no reason why FX swap would need to be decomposed into FX forwards for the purpose of reporting.

UPI reference data

248. ESMA is of the view that majority or all reference data fields should not be required to be reported for the products identified with UPI, once the UPI system is fully in place and both authorities and markets participants gain more experience with the use of UPI. While all reportable data elements will be required at the beginning of reporting, ESMA is already considering which data elements could be collected from the UPI reference data library instead of being reported to the TRs.

249. Once the validation rules are amended at a later stage to make some or all such fields conditionally mandatory, the counterparties should follow the validation rules and not report these fields for derivatives identified with a UPI.

Q41. Do you require any further clarification on the use of UPI, ISIN or CFI for derivatives?

Q42. Do you require any further clarification with regards to the reporting of fields covered by the UPI reference data? Which fields in the future should /should not be sourced exclusively from the UPI reference data rather than being reported to the TRs?

5.16 Identification of underlying

250. In terms of the validation rules, the underlying should be identified by using a unique identification for this underlying based on its type. Fields 2.13-2.18 describe the underlying, and the field 'Underlying identification type' in particular indicates that the underlying is either a basket, index or asset identified with an ISIN.

251. ESMA encountered issues with the reporting of underlying ID for derivatives on indices given that some counterparties report the ISIN of the underlying, whilst other counterparties report the ISIN of the derivative. In this respect, ESMA clarifies that for these instruments, counterparties should report ISIN of the underlying index if it is available. In addition, under the draft RTS on reporting the counterparties should report the standardised code indicating the index (if available) as well as the name of the index.

Q43. Do you require any further clarification on the reporting of details of the underlying?

5.17 Price, notional and quantity fields

Reporting of the price

252. When reporting derivative contracts, in accordance with Article 6(2) of the drat RTS on reporting, counterparties should utilise field 2.48 ‘Price’ only when price information is not included in another field of the report.

253. According to Article 6(1) of the draft RTS on reporting, counterparties should populate field 2.48 when reporting the following derivative types:

a. swaps with periodic payments relating to commodities (fixed price to be populated in field 2.48);

b. forwards relating to commodities or equities (forward price of the underlying to be populated in field 2.48);:

c. swaps relating to equities, or contracts for difference (initial price of the underlying to be populated in field 2.48).

d. However, field 2.48 is not applicable and shouldn’t be populated when reporting one of the following derivative types:

e. Interest rate swaps and forward rate agreements, as it is understood that the information included in fields Fixed rate of leg 1/2 and Spread of leg 1/2 should be interpreted as the price of the derivative.

f. Interest rate options and interest rate swaptions, as it is understood that the information included in fields Strike price and Option premium amount should be interpreted as the price of the derivative.

g. Commodity basis swaps and the floating leg of commodity fixed/float swaps, as it is understood that the information included in field Spread of leg 1/2[18] should be interpreted as the price of the derivative.

h. Foreign exchange swaps, forwards and options, as it is understood that the information included in fields Exchange rate 1, Forward exchange rate, Strike price, and Option premium should be interpreted as the price of the derivative.

i. Equity options, as it is understood that the information included in the fields Strike price and Option premium should be interpreted as the price of the derivative.

j. Credit default swaps and credit total return swaps, as it is understood that the information included in fields Fixed rate of leg 1/2, Spread of leg 1/2 and Upfront payment (Other payment type: Upfront payment/UFRO) should be interpreted as the price of the derivative.

[18] Even though the Spread fields are in the Interest Rate section of the table of fields, they should be populated when applicable (according to field descriptions in the RTS). Same approach should be followed when reporting e.g. the spread and fixed rate of CDS.

k. Commodity options, as it is understood that the information included in fields Strike price and Option premium should be interpreted as the price of the derivative.

254. If the derivative contract has price which varies by a schedule throughout the life of the derivative (and the price information is not reported in another data field), fields 2.50-2.52 should be populated in order to report the price schedule for the whole lifecycle.

255. Examples of the reporting of price for different products (either by specifying it in the dedicated field or through other data fields) can be found in Section 6.

256. Reporting of notional and quantityNotional amount fields (fields 2.55 and 2.64) should be populated in accordance with the Article 5 of the draft RTS on reporting. Fields 2.59 and 2.68, if applicable, should also be populated in accordance with the Article 5 of these draft RTS:

a. in the case of swaps, futures, forwards and options traded in monetary units, the reference amount;

b. in the case of options other than those referred to in point (a) calculated using the strike price;

c. in the case of forwards other than those referred to in point (a), the product of the forward price and the total notional quantity of the underlying;

d. in the case of equity dividend swaps, the product of the period fixed strike and the number of shares or index units;

e. in the case of equity volatility swaps, the vega notional amount;

f. in the case of equity variance swaps, the variance amount;

g. in the case of financial contracts for difference, the resulting amount of the initial price and the total notional quantity;

h. in the case of commodity fixed/float swaps, the product of the fixed price and the total notional quantity;

i. in the case of commodity basis swaps, the product of the last available spot price at the time of the transaction of the underlying asset of the leg with no spread and the total notional quantity of the leg with no spread;

j. in the case of swaptions, the notional amount of the underlying contract;

k. in the case of a derivative not referred to in the subparagraphs (a)-(j) above, where the notional amount is calculated using the price of the underlying asset and such price is only available at the time of settlement, the end of day price of the underlying asset at the date of conclusion of the contract.

257. Fields 2.57-2.59 and 2.66-2.68 are repeatable and shouls be populated in the case of derivatives involving notional amount schedules.

258. When reporting the notional amount schedule, counterparties should indicate:

a. the unadjusted date on which the associated notional amount becomes effective;

b. the unadjusted end date of the notional amount; and

c. the notional amount which becomes effective on the associated unadjusted effective date.

259. Any updates to the notional amount that are not linked to an agreed upfront notional schedule, should be reported as a modification.

260. In the case where a position is netted (the notional becomes zero) there are two possible ways to proceed:

a. The position can be terminated. If the position is reopend it should be reported with a new UTI.

b. Counterparties can maintain the open position and report a zero contract value on a daily basis. If new trades are then incorporated into this position the notional, and other relevant fields, should be updated accordingly.

261. It has been observed that zero notional is sometimes reported e.g. in the case of voluntary right issues given to the holder of a CFD or in the case of CFDs resulting from a corporate action on the underlying (stock split), thus having a purchase price of zero. This is not considered a correct way of reporting,

262. With regards to the quantity fields, following to the consultation on the technical standards, ESMA decided to proceed with the proposal to remove the fields ‘Quantity’ and ‘Price Multiplier’ as these fields are not relevant for OTC derivative contracts. Furthermore, ESMA decided to proceed with the inclusion of the field ‘Total notional quantity’. This will ensure global harmonisation of OTC derivatives data and will ensure consistency of data reported to TRs.

263. Total notional quantity should be understood as the aggregate notional quantity of the underlying asset for the term of the derivative. Where the Total notional quantity is not known when a new derivative is reported, the total notional quantity should be updated as it becomes available.

264. With regards to the population of Notional at position Level please refer to the clarification provided in the section 5.7.

265. With regards to the Notional amount for credit index derivatives following a change in the index factor due to credit events, the counterparties should - to avoid double counting of the adjustment - not modify the notional but rather only update the field 2.147 Index factor .

Q44. Is any further guidance required in relation to the population of the notional field?

Q45. Is any further guidance required in relation to the population of the Total notional quantity field? How should the Total notional quantity field be populated, distinguishing between ETD and OTC and asset class?

Q46. Are there other instances when we would expect to see a zero notional for Position Reports? Please provide examples. Are there any instances when we would expect to see a notional of zero for Trade Level Reports? Please provide examples.

5.18 Reporting of valuations

266. Please refer to section 8.2.3 for further guidance on the reconcilaition of the valuation data.

Valuation of the contract

267. Article 4 of the draft RTS on reporting provides that the counterparties should report valuation as follows:

a. For cleared derivatives - the valuation of the derivative provided by the CCP. This does not mean that the report should be made by the CCP. The CCP should make data available to counterparties so that the latter report. The use of CCP valuation data does not mean duplication of reporting.

b. For uncleared derivatives - the valuation of the derivative performed in accordance with the methodology defined in International Financial Reporting Standard 13 Fair Value Measurement as adopted by the Union and referred to in the Annex to Commission Regulation (EC) No 1126/2008, without applying any adjustment to the fair value. This means that the counterparties should not apply for the purpose of reporting under EMIR any valuation adjustments (such as CVA or DVA), even if such adjustments are applied for the accounting purposes.

268. When counterparties delegate reporting, including valuations, they retain responsibility for ensuring that reports submitted on their behalf are accurate. In the case of allocation of responsibility for reporting under Article 9(1a)-9(1d) of EMIR, the entity responsible for reporting is responsible for the accuracy of the valuation submitted on behalf of the reporting counterparty.

269. The counterparties should report the actual valuation of the contract (positive or negative), rather than an absolute value. Typically, the valuation of the contract will be positive for one counterparty and negative for the other. It should be noted that under the draft technical standards valuation will form part of the reconciliable data, therefore counterparties need to send consistent valuation (i.e. the absolute value of the valuation should reconcile, while the signs will be opposite).

270. The mark to market value should represent the total value of the contract, rather than a daily change in the valuation of the contract. Some market practices on daily settled contracts trading include data exchanges between market participants on change in contract value, notional value or margin information rather than the total value. EMIR reporting requirements however require the total value on contract value, notional value and margins to be reported. Exchanging information on changes only, may be error prone and might lead to incorrect and inconsistent reporting.

271. It should also be noted that it is not permissible to report zero valuation of the contract exclusively on the grounds that there is no market risk because variation margin has been paid or received. Any margin paid or received would be reflected in the fields 3.12-3.27 and not in the valuation.

272. The valuation requirements apply to CCP's as well as other reporting counterparties. Pursuant to the Article 4(4) of the draft RTS on reporting, clearing members are required to follow CCP valuation. This does not imply however that CCP's can set deviating standards - CCPs should comply with the requirements set out in the draft ITS and RTS on reporting and follow the guidance provided in the Guidelines or in the Q&As .

273. For some contracts the valuation changes infrequently and may not change from one day to another. However, data quality would not benefit from making exceptions and it would be hard to distinguish the cases of stable valuation from underreporting of the valuations, therefore the counterparties should report valuations on a daily basis also for these contracts (in line with the Article 2 of the draft ITS on reporting).

274. The first valuation of a given derivative should be reported by the end of the day following the conclusion (reporting time limit), either in the original report with action type 'New' or in a separate report with action type 'Valuation'.

275. Where counterparties report packages composed of two or more derivatives, the valuation should be reported on a per derivative basis.

Valuation method

276. The valuation method should be reported in accordance with the applied method for determination of the valuation. This means that CCP-cleared trades should have a valuation method indicating that the CCP's valuation is reported. If at least one valuation input is used that is classified as mark-to-model in the below table, then the whole valuation should be classified as mark-to-model. If only inputs are used that are classified as mark-to-market in the table below, then the whole valuation should be classified as mark-to-market.

Table 17 - Classification of valuation inputs

Bucket	Inputs used	Valuation method
1	Quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date [IFRS 13:76]. A quoted market price in an active market provides the most reliable evidence of fair value and is used without adjustment to measure fair value whenever available, with limited exceptions. [IFRS 13:77] An active market is a market in which transactions for the asset or liability take place with sufficient frequency and	Mark-to-market

Table 17 - Classification of valuation inputs		
Bucket	**Inputs used**	**Valuation method**
	volume to provide pricing information on an ongoing basis. [IFRS 13: Appendix A]	
2	Quoted prices for similar assets or liabilities in active markets [IFRS 13:81] (other than quoted market prices included within bucket 1 that are observable for the asset or liability, either directly or indirectly)	Mark-to-market
3	Quoted prices for identical or similar assets or liabilities in markets that are not active [IFRS 13:81] (other than quoted market prices included within bucket 1 that are observable for the asset or liability, either directly or indirectly).	Mark-to-model – historic prices from inactive markets should not be directly used
4	Inputs other than quoted prices that are observable for the asset or liability, for example interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads [IFRS 13:81] (other than quoted market prices included within bucket 1 that are observable for the asset or liability, either directly or indirectly)	Mark-to-market
5	Inputs that are derived principally from or corroborated by observable market data by correlation or other means (“market-corroborated inputs”) [IFRS 13:81] (other than quoted market prices included within bucket 1 that are observable for the asset or liability, either directly or indirectly)	Mark-to-model – the inputs can be derived “principally” from observable market data, meaning that unobservable inputs can be used
6	Unobservable inputs for the asset or liability. [IFRS 13:86] Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at	Mark-to-model – unobservable inputs are used

Table 17 - Classification of valuation inputs		
Bucket	**Inputs used**	**Valuation method**
	the measurement date. An entity develops unobservable inputs using the best information available in the circumstances, which might include the entity's own data, taking into account all information about market participant assumptions that is reasonably available. [IFRS 13:87-89]	

Delta

277. Counterparties should report the delta of an option or swaption derivative, as trade or position level, in field 2.25. The reportable value is the ratio of absolute change in price (or value) of a derivative to the change in price (or value) of the underlying.

278. CCPs, financial counterparties and non-financial counterparties referred to in Article 10 of EMIR should use the 'Valuation update' messages to report the delta value as it stands at the end of each day. In practice this means that only those counterparties that are required to send valuation updates are required to update the delta value daily.

279. Counterparties other than those referred to in the paragraph above are not required to report delta.

280. The value of delta may range from -1 to 0 for put options and 0 to 1 for call options. Reportable delta values are ratios, which means that they don't have a unit (e.g. currency).

281. For the specific case of swaptions, delta should be understood as the ratio between the change in value of the swaption to the change in value of the underlying swap.

Q47. Are there any other aspects in reporting of valuations that should be clarified?

Q48. Are there any other aspects in reporting of delta that should be clarified? Are there instrument types (in addition to swaption) where further guidance is needed with regards to the calculation of delta?

5.19 Reporting of margins

282. As specified in Article 4.2 of the draft RTS on reporting, collateral can be reported on a portfolio basis. This means the reporting of each single executed derivative should not include all the fields related to collateral, to the extent that each single derivative is assigned to a specific portfolio and the relevant information on the portfolio is reported on a daily basis (end of day).

283. Post-haircut values of margins depend on associated risk of changes in collateral value and therefore on the nature of the collateral posted (or collected). In addition, frequent cash settlement of margin may effectively mitigate this risk completely. Pre- and post-haircut values need to be reported both. If the risk is mitigated completely however, the same values are expected for pre- and post-haircut values.

284. There is only one collateral currency field associated with a collateral type on a report by a counterparty. Therefore all collateral for a single portfolio collateral type should be reported in one single currency value for the corresponding collateral type. The reporting counterparty is free to decide which currency should be used as base currency as long as the base currency chosen is one of the major currencies which represents the greatest weight in the pool and is used consistently for the purpose of collateral reporting for a given portfolio.

285. Non-cash collateral should be reported as its current cash equivalent as evaluated at the moment of posting/collecting the collateral.

286. The collateral reported should be just the collateral that covers the exposure related to the reports made under EMIR. If it is impossible to distinguish within a pool of collateral the amount which relates to derivatives reportable under EMIR from the amount which relates to other transactions the collateral reported can be the actual collateral posted covering a wider set of transactions.

287. The meaning of "it is impossible to distinguish" should be referred to the framework adopted by the reporting counterparties for the calculation of margins (and not just to the use of a common margin account). More in particular, NCAs would expect the following approach:

a. if the margin model adopted by the reporting counterparty provides for offsetting of risks between derivatives reportable under EMIR and transactions that are not reportable under EMIR, then the reporting of common collateral amount should be allowed;

b. if margins related to derivatives reportable under EMIR and margins related to transactions that are not reportable under EMIR are just collected (and held) together in a common collateral account, but are calculated separately, then only the collateral amount related to EMIR derivatives should be reported.

288. The collateral should be reported as the total market value that has been posted or collected by the counterparty responsible for the report. The fact that certain types of collateral might take a couple of days to reach the other counterparty should be ignored.

289. Although margins data are not reconciliable fields, margins reported by the counterparties should be consistent.

290. The draft RTS on reporting specify that where the collateral related to a contract is reported on a portfolio basis, the reporting counterparty should report to the trade repository a code identifying the portfolio related to the reported contract. It is up to the reporting counterparty to determine what unique value to put in the Collateral Portfolio Code. Therefore, different counterparties to a derivative contract can use different collateral portfolio codes.

291. The draft ITS on reporting specify that the field 3.27 Collateral portfolio code can have up to 52 alphanumerical characters and that special characters are not allowed. Therefore, a Collateral portfolio code that is less than 52 characters in length is permissible provided that it meets the other criteria laid out here.

292. It is up to the reporting counterparty to determine what unique value to put in the Collateral portfolio code. This field should only be populated if the Collateral portfolio indicator has the value 'Y'.

293. It is, for example, permissible to use a value in this field that is supplied by the CCP, but this is not required and other values could be used.

294. However, NCAs would expect that portfolios reported by the two counterparties, irrespective of the codes, cover the same collateral.

295. Excess collateral should capture only additional collateral that is posted or received separately and independently from the initial and variation margin. If counterparties decide to post more collateral than required and this additional collateral is not posted separately and independently of variation margin and initial margin, both counterparties need to include this in the initial and or variation margin reported.

296. Even though in certain circumstances no collateral is exchanged, in particular because an agreed "Minimum Transfer Amount" is not reached, the margin amount field should be populated with zero.

297. In some circumstances derivatives are exempted from collateral exchange under EMIR, most notably (1) where an NFC- is counterparty in a derivative, (2)–where a counterparty pair benefits from an intragroup exemption from collateral exchange or (3) for certain derivatives as per RTS 2016/2251 such as (i) physically settled foreign exchange forwards and swaps and (ii) single-stock equity options / index options under transitional provision until 4 January 2024. In these cases, although counterparties are not required to exchange collateral, the counterparties are still allowed to have a collateral agreement in place. Therefore, ESMA expects from those counterparties that are required to report collateral (i.e. CCPs, FCs and NFC+) to report it in accordance with the applicable collateral agreement (i.e. UNCO only if no collateral agreement is in place and no collateral is exchanged) and where relevant the actual amount of collateral that is exchanged. Where a counterparty pair benefits from an intragroup exemption from reporting, the counterparties should report neither the derivatives nor the collateral.

298. Either variation margin posted or collected should be reported, not both. Please refer to the example provided in the table and the explaining text below the table.

299. Some market practices on daily settled contracts trading include data exchanges between market participants on change in contract value, notional value or margin information rather than the total value. EMIR reporting requirements however require the total value on contract value, notional value and margins to be reported. If in the example below the variation margin would be cash settled on a daily basis, this would impact the post haircut values of the variation margin only (post-haircut values would become equal to pre-haircut values for variation margin).

The margin reporting requirements apply to CCP's as well as other reporting counterparties. To ensure consistency, clearing members can follow CCP reported margins.

TABLE 18

CP 1	CP 2	Date	IM posted pre-haircut	VM posted pre-haircut	IM posted post-haircut	VM posted post-haircut	IM collected pre-haircut	VM collected pre-haircut	IM collected post-haircut	VM collected post-haircut	excess collateral posted	excess collateral collected	level
A	B	Day 1						10,000,000		5,000,000			P
B	A	Day 1		10,000,000		5,000,000							P
A	B	Day 2						10,000,000		5,000,000			P
B	A	Day 2		10,000,000		5,000,000							P
A	B	Day 3						8,000,000		4,000,000			P
B	A	Day 3		8,000,000		4,000,000							P
A	B	Day 4						13,000,000		6,500,000			P
B	A	Day 4		13,000,000		6,500,000							P
A	B	Day 5		7,000,000		3,500,000							P
B	A	Day 5						7,000,000		3,500,000			P
A	B	Day 6		2,000,000		1,000,000							P
B	A	Day 6						2,000,000		1,000,000			P
A	B	Day 7											P
B	A	Day 7											P

Day 1: Due to valuation of the contract19 B has to provide 10 million as VM to A.

Day 2: The valuation of the contract drops so that the VM requirement of A is reduced to 9.8 million. However, the MTA is set at 500,000.

Day 3: The valuation of the contract drops further and A needs to return additionally 1.8 million VM back to B. The total amount of VM returned by A is 2 million (0.2 million + 1.8 million).

Day 4: The valuation of the contract rises and A receives 5 million VM from B.

Day 5: The valuation of the contract drops again and turns negative for A. Therefore, A has to provide 20 million VM to B.

Day 6: A partially sells the contract and receives 5 million VM back from B.

Day 7: A and B close out the contract and therefore exchange all outstanding margin.

300. Regarding the reporting of value of the collateral for ETDs, in the particular case when the investment firm is not involved in the process of collecting and/or posting any collateral for the client because of the direct arrangements between the client and the clearing member, the investment firm is not expected to submit any report on the value of the collateral, or on any subsequent modification as well as termination of the concluded derivative contract.

301. One of the the following collateralisation categories need to be reported in accordance with the Article 5 of the draft ITS on reporting:

[19] This example refers to reporting of collateral for a specific contract, but it equally applies to the reporting at the collateral portfolio level.

a. uncollateralised - where no collateral agreement exists between the counterparties or where the collateral agreement between the counterparties stipulates that the counterparties do not post neither initial margin nor variation margin with respect to the derivative or a portfolio of derivatives,

b. partially collateralised: counterparty 1 only - where the collateral agreement between the counterparties stipulates that the reporting counterparty only posts regularly variation margins and that the other counterparty does not post any margin with respect to the derivative or a portfolio of derivatives,

c. partially collateralised: counterparty 2 only - where the collateral agreement between the counterparties stipulates that the other counterparty only posts regularly variation margin and that the reporting counterparty does not post any margin with respect to the derivative or a portfolio of derivatives,

d. partially collateralised - where the collateral agreement between the counterparties stipulates that both counterparties only post regularly variation margin with respect to the derivative or a portfolio of derivatives,

e. one-way collateralised: counterparty 1 only - where the collateral agreement between the counterparties stipulates that the reporting counterparty posts the initial margin and regularly posts variation margins and that the other counterparty does not post any margins with respect to the derivative or a portfolio of derivatives,

f. one-way collateralised: counterparty 2 only - where the collateral agreement between the counterparties stipulates that the other counterparty posts the initial margin and regularly posts variation margins and that the reporting counterparty does not post any margins with respect to the derivative or a portfolio of derivatives,

g. one-way/partially collateralised: counterparty 1 - where the collateral agreement between the counterparties stipulates that the reporting counterparty posts the initial margin and regularly posts variation margin and that the other counterparty regularly posts only variation margin with respect to the derivative or a portfolio of derivatives,

h. one-way/partially collateralised: counterparty 2- where the collateral agreement between the counterparties stipulates that the other counterparty posts the initial margin and regularly posts variation margin and that the reporting counterparty regularly posts only variation margin with respect to the derivative or a portfolio of derivatives,

i. fully collateralised - where the collateral agreement between the counterparties stipulates that both counterparties post initial margin and regularly post variation margins with respect to the derivative with respect to the derivative or a portfolio of derivatives,

302. The field ‘Collateralisation’ should be populated based on the “agreement” and not on the actual collateral exchanged i.e. if the agreement considers for a two way initial margin

and variation margin, the field should be populated with “FLCL” even though the current situation might be that no initial margin nor variation margin is exchanged.

303. The table below shows different scenarios of collateralisation and how they should be reported using the categories.

TABLE 19 - COLLATERALISATION CATEGORIES

Nr.	Scenarios: Collateral to be posted (acc. to the agreement)				Reporting of 'Collateralisation'	
	CP A		CP B		CP A report	CP B report
	IM	VM	IM	VM		
1	-	-	-	-	UNCL	UNCL
2	-	Y	-	-	PRC1	PRC2
3	-	-	-	Y	PRC2	PRC1
4	-	Y	-	Y	PRCL	PRCL
5	Y	Y	-	-	OWC1	OWC2
6	-	-	Y	Y	OWC2	OWC1
7	Y	Y	-	Y	OWP1	OWP2
8	-	Y	Y	Y	OWP2	OWP1
9	Y	Y	Y	Y	FLCL	FLCL

*UNCL – uncollateralised, PRC1 – Partially collateralised: Counterparty 1, PRC2 - Partially collateralised: Counterparty 2, PRCL - Partially collateralised, OWC1 - One-way collateralised: Counterparty 1 only, OWC2 - One-way collateralised: Counterparty 2 only, OWP1 – One-way/partially collateralised: Counterparty 1, OWP2 – One-way/partially collateralised: Counterparty 2, FLCL – Fully collateralised

Q49. Are there any further clarifications required with regards to the reporting of margins?

5.20 Identification of the trading venue

304. Field Trading venue should be used to report the venue where the derivative was executed.

305. Where a derivative was concluded OTC and the respective instrument is not admitted to trading or traded on a trading venue, MIC code ‘XXXX’ should be used.

306. Where a derivative was concluded OTC and the respective instrument is admitted to trading ortraded on a trading venue inside of the Union, MIC code ‘XOFF’ should be used.

307. The ‘BILT’ value proposed in the CDE guidance should be used when the reporting counterparty cannot determine whether the instrument is listed or not, as per jurisdictional requirements. Nethertheless, this situation should not arise in the EU since all instruments admitted to trading or traded on a trading venue are made publicly available in the Financial

Instruments Reference Data System (FIRDS) on ESMA's website [20], therefore the counterparties are expected to be able to determine whether they should report 'XOFF' or 'XXXX' and the value 'BILT' is not allowed in the reporting under EMIR.

308. For MTFs, OTFs, SIs and organized trading platforms outside of the Union, the specific MIC code will be required even if the derivatives concluded on these venues are OTC derivatives under the definition set out in EMIR.

309. MIC Codes are defined by ISO 10383. This standard identifies two sorts of MIC Code: 'MIC' and 'Operating MIC', also known as 'Segment MIC' and 'Organisation MIC' respectively. For EMIR reports, Regulated Markets and MTFs should be identified by the relevant MIC Code as defined in the ESMA Register at http://registers.esma.europa.eu/publication/.

310. In the case where two SIs face each other and then those two counterparties will need to determine which SIs MIC code is to be reported, each counterparty should report from its own perspective, i.e. populate the field with the MIC of the other counterparty

311. ESMA recalls that derivatives executed on UK regulated markets before Brexit would be considered ETD. However, derivatives executed on UK regulated markets after Brexit would be considered OTC. The reporting of the field trading venue would still be identified with the corresponding MIC code. However, It would have impacts on other fields like the field "Intragroup" and "Clearing obligation" which are required only for OTC derivatives.

Q50. Are there any further clarifications required with regards to the reporting of the trading venue?

5.21 Fields related to clearing

312. With respect to the field 'Cleared', under the draft ITS on reporting only two statuses are reportable, namely cleared ("Y") and non-cleared ("N").

313. In some markets a CCP extends an "open offer" to act as counterparty to market participants and is interposed between participants at the time trades are executed (open offer model). In other markets, the participants themselves initially are the counterparties. Subsequently the trades may be submitted to a CCP, which is substituted as the seller to the buyer and the buyer to the seller (novation clearing model).

314. Article 2 of the draft RTS on reporting prescribes that where a derivative contract whose details have already been reported pursuant to Article 9 EMIR is subsequently cleared by a CCP, that contract should be reported as terminated using the action type 'TERM' (terminate). The new contracts resulting from clearing should be reported with action type "NEWT" (new).

315. The same Article also provides that where a contract is both concluded on a trading venue and cleared on the same day, only the contracts resulting from clearing shouldl be reported (novation clearing model).

[20] https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_firds

316. With regard to derivatives executed on third country venues and cleared by a CCP on the same day, Article 2(2) from the RTS specifies that where a derivative is both concluded on a trading venue or on an organised trading platform located outside of the Union and cleared by a CCP on the same day, only the derivatives resulting from clearing should be reported. These derivatives should be reported by specifying in fields 'action type' and 'event type' either the action type 'NEWT' (new), or the action type 'COMP' (position component), in accordance with Article 3(2), and event type 'CLRG' (clearing).

317. Execution timestamp for cleared trades should correspond to the time of execution on the trading venue of execution. The clearing timestamp should be reported as the time at which the CCP has legally taken on the clearing of the trade. For markets where clearing takes place using the open offer model, execution timestamp and clearing timestamp are expected to be the same. For markets where clearing takes place using novation, these two timestamps may be different.

318. The field Clearing obligation is not applicable to the derivatives executed on a regulated market and it should be filled with the value 'UKWN' which indicates that the contract does not belong to a class of OTC derivatives that has been declared subject to the clearing obligation. In the case of cleared trades, this field should be populated with 'UKWN' and the field 'Cleared' with 'Y'.

319. The field 'Central counterparty' should only be populated with the identifier of a CCP, i.e. a central counterparty which meets the definition of Article 2(1) of EMIR. Therefore, when a derivative contract is cleared by an entity which is not a CCP within the meaning of EMIR, the clearing house should not be identified in the field 'Central counterparty'.

320. When a derivative is executed in an anonymised market and cleared by a clearing house, the counterparty executing the derivative should request the trading venue or the clearing house that matches the counterparties to disclose the identity of the other counterparty before the reporting deadline.

Q51. Are there any further clarifications required with regards to the reporting of clearing?

5.22 Fields related to confirmation

321. Date and time of confirmation, as determined pursuant to Article 12 of the RTS on clearing arrangements constitute the "Confirmation timestamp" that should be reported in th field 2.28, confirmation means should be reported in the field 2.29.

322. The timely confirmation requirement applies only to non-cleared OTC contracts. In the case of trades executed on third-country venues that are not equivalent to regulated market, those trades are considered OTC under certain provisions of EMIR. This means that fields "Confirmation timestamp" and "Confirmed" have to be reported to the extent that these trades are not cleared.

323. The value 'NCNF' (unconfirmed) should be used for the field 'Confirmed' either when:

a. The derivative has to be confirmed by the counterparties but has not been confirmed yet; or

b. The derivative does not have to be confirmed by the counterparties because it has been traded on a trading venue and once traded all the terms of the contracts are known and agreed by the parties.

324. In other cases, the counterparties should report the 'ECNF' or 'YCNF' value for this field depending on the confirmation means used (electronic or non-electronic) and the field "Confirmation timestamp" shall be populated.

325. If the value 'NCNF' is used, the field "Confirmation timestamp" should be left blank.

326. The timely confirmation of OTC derivative contracts applies wherever a new derivative contract is concluded, including as a result of novation and portfolio compression of previously concluded contracts. The requirement does not apply to terminations provided that the termination removes all residual obligations in respect of that derivative. The confirmation timestamp and confirmation means should be reported accordingly.

Q52. Are there any further clarifications required with regards to the reporting of confirmation timestamp and confirmation means?

5.23 Fields related to settlement

327. The "Settlement currency" field should be populated for all single currency derivatives, as well as those with a specific FX component. The field should be populated as the currency of the underlying to be delivered in the case of a physically settled derivative or the settlement currency, if the derivative is to be cash settled. The "Settlement currency" field should be specified for each leg of the multicurrency products.

328. An example on the way to reports the settlement currency for the two legs of an FX swap has been included in the section 6.4.

329. Counterparties should report the valid currencies as per ISO standard. Currencies which are not covered by ISO standard won't be accepted, therefore the counterparties should report the relevant values in the respective onshore currencies recognized in the ISO standard.

Q53. Are there any further clarifications required with regards to the reporting of settlement currencies?

5.24 Reporting of regular payments

330. Counterparties should report only those fields related to data elements of regular payments that are applicable to a given derivative. Therefore, taking into consideration the contract type, the report will contain information on dedicated fields specific for each fixed or floating leg of a derivative. The same rule applies to the data elements describing the reset frequency and reference period of the floating rates.

331. For each leg of aderivative with periodic payments, the fixed rate has to be reported, where applicable,by specifying positive or negative values expressed as percentages.(e.g. 2.57 instead of 2.57%)

332. In the case of floating legs, the periodic payments are calculated based on an underlying reference rate on predefined dates. Floating rates could be identified with an ISIN and/or with a 4-letter standardized code, explicitly included in the draft ITS.

333. Furthermore, the floating rates should be identified by using the official name of the rate as assgined by the index provider.

Q54. Are there any additional clarifications to be considered related to reporting of regular payments?

5.25 Reporting of other payments

334. Taking into account the CDE guidance, the option premium payment is not included as a payment type, as premiums for option are reported using the option premium dedicated data element. The allowable values for other payment types are:

a. UFRO = Upfront payment, i.e. the initial payment made by one of the counterparties either to bring a transaction to fair value or for any other reason that may be the cause of an off-market transaction;

b. UWIN = Unwind or Full termination, i.e the final settlement payment made when a transaction is unwound prior to its end date; Payments that may result due to full termination of derivative transaction(s);

c. PEXH = Principal exchange, i.e. exchange of notional values for cross-currency swaps.

335. The information provided in other payment fields is only to be reported for the reportable event to which the payment relates and whether once the payment details have been reported, the values should not persist on all subsequent events reported for that trade.

336. Therefore, if a derivative involves both upfront and unwind payment, the counterparty should report the sequence of payments in subsequent reports, as follows:

Table 20

Action Type	Event Type	Other payment type
New	Trade	UFRO
Terminate	Early termination	UWIN

Q55. Are there any further clarifications needed with regards to the reporting of other payments?

5.26 Dates and timestamps fields

Effective date

337. 'Effective date' is the date at which obligations under the derivative come into effect, as included in the confirmation. If the counterparties did not specify the effective date as

part of the terms of the contract, field ‘Effective date’ should be populated with the date of execution of the derivative.

338. In case of cash-settled commodity derivatives, effective date needs to be clarified as some market participants use the start date and end date of the calculation period as effective and expiration dates in the confirmation, respectively; whereas other market participants use the start and end date of the delivery period of the underlying for that purpose.

339. Similarly, discrepancies have been observed with regards to the reporting of Effective date in the case of novations.

Expiration date / Early termination date

340. The ‘Expiration date’ is the unadjusted date at which obligations under the derivative stop being effective, as included in the confirmation. Early termination does not affect this data element. The expiration date can be used to determine whether the trade is outstanding or not. The content of this field in case of non-confirmed trades should be as specified in the contract between the counterparties.

341. The same specification of the effective date applies to both OTC and ETD derivatives.

342. Under Article 9 of EMIR there is a duty to report the termination. However, where termination takes place in accordance with the original terms of the contract, it can be assumed that such a termination was originally reported, provided that the expiration date has been duy reported. Therefore, only terminations that take place at a different date should be reported.

343. The description of Field 2.44 in the draft RTS on reporting is aimed at ensuring that early terminations of a derivative are not reflected in this field. Accordingly, when an opening of a new contract occurs, the expiration date field represents the “original date of expiry of the reported contract”. However, when the maturity date of an existing contract is subject to changes which are already foreseen in the original contract specifications, counterparties send a modification report to the initial entry, modifying the expiration date field accordingly to reflect the updated expiration date.

344. The counterparties should report the unadjusted Expiration date, as agreed in the contract, even if it falls on a weekend or a bank holiday.

345. The below example clarifies how to populate Expiration date.

Example 1: OTC Fixed for Floating derivative on natural gas

I. General Terms:

Trade Date: 25-Aug-2017Commodity: Natural Gas
Effective Date: 01-Nov-2017
Termination Date: 31-Mar-2018
Payment Dates: Ten Business Days after the end of each Calculation Period subject to adjustment in accordance with the Modified Following Business Day Convention.

Table 21							
Period	Calculation Period(s)		Delivery Dates		Payment Date(s)	Notional Quantity Per Calculation Period (MWh)	Fixed Price (EUR/MWh)
	From	To	From	To			
11	01.10.2017	31.10.2017	01.11.2017	30.11.2017	15.11.2017	800,000.000	
12	01.11.2017	30.11.2017	01.12.2017	01.12.2017	14.12.2017	800,000.000	
1	01.12.2017	31.12.2017	01.01.2018	31.01.2018	15.01.2018	500,000.000	
2	01.01.2018	31.01.2018	01.02.2018	28.02.2018	15.02.2018	500,000.000	
3	01.02.2018	28.02.2018	01.03.2018	31.03.2018	15.03.2018	500,000.000	
Total Notional Quantity:						3,100,000.000	

The correct expiration date would be 31/03/2018 as this is the agreed “termination date”.

346. The following paragraphs clarify how a “working day” should be defined for the purpose of determining the deadline for reporting.

347. Counterparties should follow their local time to determine the day on which the derivative was concluded, modified or terminated. The deadline for reporting is the working day following that day. The determination of the deadline for reporting in the local time does not affect the way in which the relevant dates and times (such as execution timestamp) are reported to the TRs. The time convention for reporting is defined in the draft ITS on reporting.

348. If the counterparties follow different calendars or are located in different timezones, they should follow the relevant calendar of their Member State to determine whether a given day is a working day or holiday.

349. This guidance applies also when the two counterparties to the same derivative follow different calendars and/or are located in different timezones, meaning that each counterparty should follow its own local calendar and use the local time to determine the deadline for reporting.

Q56. How would you define effective day for novations and cash-settled commodity derivatives?

Q57. What are reporting scenarios with regards to dates and timestamps which you would like to be clarified in the guidelines? Are there any other aspects that need to be clarified with respect to dates and timestamp fields?

5.27 Reporting of derivatives on crypto assets

350. Having taken into consideration the ongoing developments in regulation that are currently being discussed about the crypto-assets, the draft RTS on reporting do not stipulate any detailed requirements with regard to the reporting of derivatives based on them. Notwithstanding, ESMA has decided to include in the draft RTS on reporting an

additional field named “Derivative based on crypto-assets” in which counterparties would be expected to indicate whether a given derivative is based on a crypto-asset or not. The field will be a simple indicator populated with a Boolean value. Thus will allow to assess the trading volumes and outstanding risk in this type of instruments as well as to analyse how these instruments are currently reported.

351. Only derivatives on crypto-assets that fulfil the definition of derivatives under MiFID are expected to be reported (in line with the general scope of reporting under EMIR).

352. The currency fields in EMIR reporting only allow to be populated with currencies listed on ISO 4217 Currency Codes. Therefore these fields currently should not be populated with codes relating to crypto-assets that are commonly denominated “crypto currencies”.

Q58. Are there any other aspects that need to be clarified with respect to the derivatives on crypto assets?

5.28 Reporting of complex products

353. In accordance with the CPMI-IOSCO CDE Guidance the draft RTS on reporting introduced new package-related fields. This includes field 2.6’Package identifier’, which should be used by reporting counterparties or entities responsible for reporting as an unique link between reports belonging to the same derivative contract, where the table of fields did not allow to submit the details in only one report (such as in the case where the derivative contract is composed of a combination of derivative contracts that are negotiated together as the product of a single economic agreementsee also recital 4 of the draft RTS on reporting).

354. While there is a requirement for both counterparties to agree on the number of reports to be submitted for a given contract and on the UTI’s assigned to those reports, there is no need to agree on the “Package identifier” used to link those reports between the two counterparties. The “Package identifier” will be unique for a set of reports belonging together and assigned by each reporting counterparty or entity responsible for reporting on their own. For this reason there is no need to consume a “Package identifier” from trading venues.

355. illustrates the reporting ot UTIs and package identifiers in the case of packages:

Table 22

	Report #1 CP 1	Report #2 CP 1	Report #1 CP 2	Report #2 CP 2
Reporting CP	LEI of CP 1	LEI of CP 1	LEI of CP 2	LEI of CP 2

Table 22				
	Report #1 CP 1	Report #2 CP 1	Report #1 CP 2	Report #2 CP 2
ID of the other CP	LEI of CP 2	LEI of CP 2	LEI of CP 1	LEI of CP 1
UTI	1234	ABCD	1234	ABCD
Package ID	PCK1	PCK1	Package987	Package987

356. In the case a package transaction includes reportable and non-reportable elements, the counterparties should report the entire package transaction as has been traded, including the non-reportable elements (for example a combination of a spot and a derivative contract). It is important to provide egulators, assessing the data, a holistic view on the derivative. If a package transaction would only be reported containing the reportable elements, but still providing the fields related to the package transaction price, this situation could give the impression of a data quality issue and drawing erroneous conclusions.

357. ESMA would like to stress that if such non-reportable elements are traded outside of a package transaction they do not fall under the reporting obligation pursuant to Article 9 EMIR.

358. If a derivative contract ceases to exist, but gives birth to another derivative contract, which is materially different (e.g. an option on a future), those two contracts should be considered individually and not be reported as a package transaction, thus no “Package identifier” should be used in such circumstance (while at the same time the field “prior UTI” could be relevant).

359. The reporting field 2.53 “Package transaction price” and field 2.54 “Package transaction price currency” should be populated with the relevant price and currency for the entire package transaction rather than the price and currency of the individual components. If the individual components have individual prices and currencies those should be populated in the relevant report in field 2.28 “Price” and field 229 “Price currency”.

Table 23				
	Report #1 CP 1	Report #2 CP 1	Report #1 CP 2	Report #2 CP 2
Reporting CP	LEI of CP 1	LEI of CP 1	LEI of CP 2	LEI of CP 2
ID of the other CP	LEI of CP 2	LEI of CP 2	LEI of CP 1	LEI of CP 1

Table 23				
	Report #1 CP 1	Report #2 CP 1	Report #1 CP 2	Report #2 CP 2
UTI	1234	ABCD	1234	ABCD
Package ID	PCK1	PCK1	Package987	Package987
Price	10.23	210.75	10.23	210.75
Price currency	EUR	EUR	EUR	EUR
Package transaction price	220.98	220.98	220.98	220.98
Package transaction price currency	EUR	EUR	EUR	EUR

360. There can be instances where a price for the package transaction becomes available only after the reporting deadline (t+1). If such instance occurs the 'Package transaction price' should be updated at that point in time later by using 'Modify' in field 2.151 'Action type'.

361. Similiarly if the price for an entire package transaction is expressed as a spread, i.e. the difference between two reference prices, such spread should be populated in field 2.112 'Package transaction spread' together with field 2.113 'Package transaction spread currency'. If such spread is not known at the point in time of conclusion of the package transaction it should be reported with those fields blank and be updated later, once it becomes known. Again this update should be sent by using 'Modify' in field 2.151 'Action type'.

Q59. Do you consider any scenarios in which more clarification on the correct population of the fields related to package transaction is needed?

5.29 Ensuring data quality by counterparties

362. According to the Article 9(1e) of EMIR, counterparties and CCPs should report correctly and without duplication. Quality of data reported by counterparties is a key aspect to ensure wide usability and quality of data analytical results. Further requirements for ensuring the data quality on the counterparty side are se out in Article 9 of the draftITS on reporting and Article 1 and 3 of the draft RTS on data quality.

363. Apart from implementing a common set of validation rules providing an immediate response on the quality of data at the point of data submission, TRs should implement a

reconciliation process consisting in paring and matching of the reports pertaining to both sides of the derivative to compare the content of the reports and flag the inconsistencies indicating misreporting by at least one of the counterparties. TRs should provide detailed information on rejections and reconciliation to the relevant participants and users of the TR and also to NCAs. Reporting counterparties, report submitting entities and entities responsible for reporting, as applicable, should investigate the data quality issues flagged by data rejections and unsuccessful reconciliation, and ensure data correction. The draft ITS also specifically requires the entities responsible for reporting and the report submitting entities, as applicable, to have in place arrangements which ensure that the feedback on the reconciliation failures provided by the TRs is taken into account.

364. To complement the rejection and reconciliation statistics provided by the TRs to NCAs, the entity responsible for reporting should promptly (as soon as it becomes aware of them) notify its competent authority and, if different, also the competent authority of the reporting counterparty of any of the following instances:

a. any misreporting caused by flaws in the reporting systems that would affect a significant number of reports,

b. any reporting obstacle preventing the report submitting entity from sending reports to a Trade Repository within the deadline set out in the Article 9 of EMIR,

c. any significant issue resulting in reporting errors that would not cause rejection by a trade repository in accordance with the draft RTS on data quality

365. The notification should indicate at least the type of the error or omission, the date of the occurrence, scope of the affected reports, reasons for the errors or omissions, steps taken to resolve the issue and the timeline for resolution of the issue and corrections.

366. ESMA is aware of the need to specify in more detail the key metrics and thresholds to assess the scope of notifications, as well as the need to carefully calibrate the proposal. The need for clarification pertains particularly to the “significant number of reports” under point a. and “significant issue” under point c. above. ESMA provides below examples of relevant scenarios and clarifies the metrics for assessing the scope of notifications, however the specific thresholds will be ultimately specified via other means to provide sufficient flexibility for effective calibration.

367. Under Article 9(1)(a) of the draft ITS on reporting any misreporting caused by flaws in the reporting systems that would affect a significant number of reports should be notified. The requirement pertains to any failure on either ERR or RSE side, or at any other third-party reporting system if outsourcing is utilized. This scenario includes for example cases of technical problems excluding a large percentage of records from submission, systematic omission of certain fields in the reports, systematic reporting of incorrect or abnormal values in the reports (e.g. system errors in orders of numerical fields). Since the requirement to notify the authorities pertains to the ERR, RSE or any other third party involved in reporting should inform all the relevant ERRs if they experience system failures or identify any other flaw in their reporting systems.

368. Significant number of reports should be assessed separately for each of the following categories:

Category 1 – reports with action types ‘New’, ‘Modify’, ‘Correct’, ‘Terminate’, ‘Error’, ‘Revive’, ‘Position component’,

Category 2 – reports with action type ‘Valuation’,

Category 3 – reports with action type ‘Margin update’.

369. If the number of reports affected by the reporting issue is significant in at least one of the categories, the competent authorities should be notified of the reporting issue.

370. The assessment of significance should be performed as soon as the scope of the misreporting is identified and the number of records affected by the reporting issue is determined. The notification to NCAs should be sent without undue delay after the assessment is concluded and all the relevant information is gathered. If after the first assessment more affected records are identified, another assessment should be performed and the NCAs should be notified with an update.

371. Alternative A:

Number of reports affected by misreporting is significant if it exceeds the following threshold:

NumOfAffReports / AverageMonthNum > Y% and NumOfAffReports > X

i.e. NumOfAffReports >= Threshold = max {X; Y% of AverageMonthNum},

where X and Y are calibration constants specified in , and AverageMonthNum is the average monthly number of submissions calculated on the day of assessment as

(NumOfReportsMonth$_{-12}$ + NumOfReportsMonth$_{-11}$ + … + NumOfReportsMonth$_{-2}$ + NumOfReportsMonth$_{-1}$) / 12 = NumOfReportsLast365Days / 12

using the actual numbers of reports submitted during the last 12 months.

Table 24

	Average monthly number of submissions (AverageMonthNum)		
	0<=A<100 000	100 000<=A<1 000 000	1 000 000<=A
X	100	20000	150000
Y %	20%	15%	10%

372. Alternative B:

Number of reports affected by misreporting is significant if

NumOfAffReports / NumOfReportsInPeriod > Y% and NumOfAffReports > X,

i.e. NumOfAffReports >= Threshold = max {X; Y% of NumOfReportsInPeriod},

where X and Y are calibration constants specified in , and the NumOfReportsInPeriod is the total number of reports submitted during the period when the misreporting existed, i.e. from the day the first misreported report was submitted to the day when the reporting issue was fixed, or the day the assessment takes place if the misreporting is not remediated yet.

Average daily number of submissions (to identify the correct bucket in) should be calculated on the day of assessment as

NumOfReportsInPeriod / NumOfDaysInPeriod = AverageDayNum.

Table 25			
	Average daily number of submissions (AverageDayNum)		
	0<=A<5 000	5 000<=A<50 000	50 000<=A
X	100	20000	150 000
Y %	20%	15%	10%

373. To take into account how significant the ERR or RSE is, the buckets and corresponding calibration constants are specified on the basis of average number of submitted reports.

374. Alternative A would capture mainly the long-lasting reporting issues, while (under the current proposal of calibration constants) cases of misreporting lasting only few days would be regarded as non-significant. Alternative B takes into account also the length of misreporting period thus it would be effective for both short and long periods.

375. The assessment of significance should be performed at ERR level or at RSE level if applicable. The RSE should perform the assessment only if it is ERR for some or all of the counterparties on whose behalf it reports. It is not deemed necessary to calculate the average number of submissions separately for each counterparty, if the ERR or RSE report on behalf of multiple counterparties. As ESMA's intention is that systematic issues are captured, even if for a single counterparty a threshold is exceeded, the overall picture at the RSE should be considered. Following scenarios (using Alternative A as the method of assessment) aim at facilitating the understanding.

376. Scenario A: Three counterparties rely on the same Report Submitting Entity to submit the reports. RSE is below the thresholds, one counterparty is exceeding the threshold.

Table 26					
	Monthly average	Affected reports	X	Y	Thresholds exceeded
Cpt 1	1000	10	10 < 100	1% < 20%	No

Table 26					
	Monthly average	Affected reports	X	Y	Thresholds exceeded
Cpt 2	1000	250	250 > 100	25% > 20%	Yes
Cpt 3	500	10	10 < 100	2% < 20%	No
Total RSE	**2 500**	**270**	**270 > 100**	**11% < 20%**	**No**

Even though for counterparty 2, the thresholds are exceeded, the calculation at the level of the RSE is below the thresholds and therefore there is no need for the RSE to notify the relevant NCAs. However, if the RSE is not ERR for all the affected counterparties, it should duly inform all the ERRs of those counterparties about the reporting issue, so that they can assess their overall situation and notify their NCAs if crossing the thresholds.

377. Scenario B: Three counterparties rely on the same Report Submitting Entity to submit the reports. RSE is above the threshold, two counterparties are below the threshold. RSE is ERR only for Cpt 2.

Table 27					
	Monthly average	Affected reports	X	Y	Threshold exceeded
Cpt 1	1000	180	180 > 100	18% < 20%	No
Cpt 2	1000	800	800 > 100	80% > 20%	Yes
Cpt 3	500	10	10 < 100	2% < 20%	No
Total RSE	**2 500**	**990**	**990 > 100**	**40% > 20%**	**Yes**

RSE has a significant issue, but Cpt 1 and Cpt 3 are only slightly affected. In this case the notification to NCAs should include details, such as number of affected reports, which

378. Option 1: only relate to Cpt 1 or

379. Option 2: relate to all the counterparties regardless of whether the RSE is ERR for all of them. Therefore, under this option, a total number of affected reports at the level of RSE would be notified and the RSE would not have to carve out the counterparties where the threshold is not exceeded and the RSE is not ERR for such counterparites. It is worth

clarifying that under this option RSE should send the notification only to the RSE's NCA and the Cpt 2's NCA, not to NCAs of Cpt 1 and Cpt 3.

380. Similarly to the previous scenario, if the RSE is not ERR for all the affected counterparties, it should duly inform all the ERRs of those counterparties (in this scenario Cpt 1 and Cpt 3) about the reporting issue, so that they can assess their overall situation and notify their NCAs if crossing the thresholds.

381. ESMA is aware that under Option 2, in certain cases (in this scenario if Cpt 1 or Cpt 3 also notifies the NCAs), an ovelap of numbers of affected reports in notifications might occur.

382. Scenario C: A counterparty (ERR) is delegating reporting to 2 RSEs and partially reports by itself. At counterparty level, only a subset of reports are affected by the reporting issue at an RSE

Table 28

	Monthly average	Affected reports affected by an issue	X	Y	Thresholds exceeded
Cpt	1000	0	0 < 100	0% < 20%	No
RSE 1	1000	250	250 > 100	25% > 20%	Yes
RSE 2	500	0	0 < 100	0% < 20%	No
Total ERR	**2500**	**250**	**250 > 100**	**10% < 20%**	**No**

RSE1 has potentially a significant issue but on the overall level of the counterparty the issue is not significant. In this case the counterparty is not expected to notify its NCA. Nevertheless, it is not prohibited for RSE1 to notify the counterparty's NCA if the issue is significant at the level of the RSE and the counterparty relies on the RSE to notify the NCAs.

383. Under Article 9(1)(b) of the draft ITS on reporting any reporting obstacle preventing the report submitting entity from submitting reports within the reporting deadline should be notified. These cases include primarily system failures, but should not be understood as limited only to technical problems, e.g. operational issues (COVID-19), lack of LEI update, impossibility to generate the UTI.

384. Under Article 9(1)(c) of the draft ITS on reporting any significant issue resulting in reporting errors that would not cause rejection by a trade repository should be notified. ESMA clarifies that the requirement to notify misreporting should not include notifications of individual reconciliation breaks.

385. Significant issue should be understood as at least the following ones:

a. Non-reporting or over-reporting of a derivative due to erroneous assessment of its reportability ;

b. Incorrect or inconsistent interpretation of the number of reports to be reported for a specific derivative (e.g. in dispute with the other counterparty);

c. Incorrect or inconsistent interpretation of the content of the fields (e.g. in dispute with the other counterparty);

d. Reporting of non-standard derivatives for which the fields are not fully suited;

e. Errors and omissions that pertain to

f. Incorrect data in the parties identification: fields 1.2 to 1.16, 1.20, 2.33, 2.37;

g. Incorrect trade details: fields 1.17 to 1.19, 2.1 to 2.12, 2.38 to 2.41;

h. Incorrect details on underlying: fields 2.13 to 2.18 – in particular when the basket is not complete;

i. Amounts and currencies in all related fields (notional, valuation, collateral, price, strike …);

j. Dates / timestamps: execution, event confirmation, expiration;

k. Clearing fields 2.30 to 2.32;

l. Incorrect report details: fields 2.151, 2.152 and 2.154;

m. Collateral portfolio code: field 3.9;

n. Errors in valuation methods resulting in incorrect reporting of valuation.

386. The entity responsible for reporting should have processes in place to be able at any time to assess the significance of identified cases of misreporting as outlined above and to promptly notify them to the relevant NCAs. Specifically, this includes swift identification of impacted records and their numbers and the computation of relevant metrics to assess whether thresholds have been exceeded or not.

387. Counterparties, ERRs or RSEs will need to submit their notifications to the NCAs in accordance with the procedures adopted by those NCAs in each member state.

388. Many data quality issues are related to inconsistent interpretation of the rules for reporting of the derivatives. The aim of these Guidelines is to provide in the relevant sections the necessary guidance for the various reporting scenario and derivative contracts, including detailed illustrative examples. ESMA encourages the industry to flag in the relevant sections any potential ambiguities or scenarios for which correct reporting needs to be clarified.

Q60. Which of the proposed alternatives with regard to significance assessment method do you prefer? Should ESMA consider different metrics and thresholds for assessing the scope of notifications sent to the NCAs? Please elaborate on the reasons for your response.

Q61. Do you prefer Option 1 or Option 2 with regard to the number of affected reports notified to the NCAs? Please elaborate on the reasons for your response.

Q62. Should significance of a reporting issue under Article 9(1)(c) of the draft ITS on reporting also be assessed against a quantitative threshold or the qualitative specification only is appropriate? In case threshold should be also applied, would you agree to use the same as under Alternative A or B? Is another metric or method more appropriate for these types of issues? Please elaborate on your response.

Q63. Are there any other aspects or scenarios that need to be clarified with respect to ensuring data quality by counterparties? Please elaborate on the reasons for your response.

6 Reporting per product type

6.1 Reporting of IRS

389. When reporting IRS, the counterparties should describe the underlying fixed or floating rates in the dedicated rate fields for leg 1 and leg 2 (fields 79-110), rather than e.g. providing the floating rate in the underlying index field.

390. ESMA seeks input on whether the counterparties should be required to agree which leg is reported as leg 1 and which as leg 2 or whether– if both legs are reported consistently -the TRs should be able to reconcile them irrespective of the order. For further details on this aspect please refer to the section 8.2.4.

391. There are three distinct fields to describe a floating rate:

a. Identifier (fields 83 and 99), which should be populated with ISIN,

b. Indicator (fields 84 and 100) which should be populated with a standardised 4-letter code, and

c. Name (fields 85 and 101), which should be populated with the full name of the rate.

392. Counterparties should always report ISIN and 4-letter code, to the extent that they are available for a given rate. The name of the rate should be reported in all cases.

393. Example: A single currency fixed-to-floating 5-year IRS on 3M EURIBOR vs 0.5% (with no additional spread). Counterparties exchange payments each six months and reset frequency is set to annual. The day count convention is Actual/360.

Table 29 – Reporting of a fixed-to-floating IRS			
No	**Field**	**Example**	**XML message**
79	Fixed rate of leg 1 or coupon	0.5	<IntrstRate> <FrstLeg> <Fxd> <Rate> <Dcml>0.5</Dcml> </Rate>
80	Fixed rate or coupon day	A004	

Table 29 – Reporting of a fixed-to-floating IRS			
No	**Field**	**Example**	**XML message**
	count convention leg 1		<DayCnt> <Cd>A004</Cd> </DayCnt> <PmtFrqcy> <Term> <Unit>MNTH</Unit> <Val>6</Val> </Term> </PmtFrqcy> </Fxd> </FrstLeg> <ScndLeg> <Fltg> <Id>EU0009652783</Id> <Rate> <Cd>EURI</Cd> <Prtry>Euro Interbank Offer rate</Prtry> </Rate> <RefPrd> <Unit>MTH</Unit> <Val>3</Val> </RefPrd> <DayCnt> <Cd>A004</Cd> </DayCnt> <PmtFrqcy> <Term> <Unit>MNTH</Unit> <Val>6</Val> </Term> </PmtFrqcy> <RstFrqcy> <Term> <Unit>YEAR</Unit> <Val>1</Val> </Term> </RstFrqcy> </Fltg> </ScndLeg> </IntrstRate>
81	Fixed rate or coupon payment frequency period leg 1	MNTH	
82	Fixed rate or coupon payment frequency period multiplier leg 1	6	
99	Identifier of the floating rate of leg 2	EU0009652783	
100	Indicator of the floating rate of leg 2	EURI	
101	Name of the floating rate of leg 2	Euro Interbank Offer rate	
102	Floating rate day count convention of leg 2	A004	
103	Floating rate payment frequency period of leg 2	MNTH	
104	Floating rate payment frequency period multiplier of leg 2	6	
105	Floating rate reference period of leg 2 – time period	MNTH	
106	Floating rate reference period of leg 2 – multiplier	3	
107	Floating rate reset frequency period of leg 2	YEAR	
108	Floating rate reset frequency multiplier of leg 2	1	

Table 29 – Reporting of a fixed-to-floating IRS			
No	**Field**	**Example**	**XML message**
109	Spread of leg 2		
110	Spread currency of leg 2		

Q64. Are there any other aspects in reporting of IRS that should be clarified?

6.2 Reporting of swaptions

394. When reporting swaptions, the counterparties should provide both the fields related to opions (fields 132-142 of the table 2) as well as the fields characteristing the underlying swap (Fields 79-110 of the table 2).

395. Execution of the swaption should be reported with action type 'Terminate' and event type 'Exercise'. The resulting swap should be reported with action type 'New' and event type 'Exercise' as well as with the field 2.3 Prior UTI populated.

396. The tables below illustrate how to report an original swaption, exercise of that swaption and the resulting swap.Example: Counterparty enters into an american option on a fixed-to-floating IRS based on 1D SONIA vs 0.75% (with no additional spread). The premium is 200,000 GBP. If exercised, the reporting counterparty will pay fixed rate and the counterparties will exchange payments each 3 months and reset frequency is set to annual. The day count convention is Actual/Actual ISDA.

Table 30 – Reporting of a swaption on a fixed-to-floating IRS			
No	**Field**	**Example**	**XML message**
1	UTI	AAAAABBBBBCCCCCDDDDD12345	<Rpt> <New> <CmonTradData> <TxData> <UnqTxIdr> <UnqTxIdr>AAAAABBBBBCCCCCDDDDD12345</UnqTxIdr> <Prtry> ... </Prtry> </UnqTxIdr> <IntrstRate> <FrstLeg> <Fxd> <Rate> <Dcml>0.75</Dcml> </Rate>
79	Fixed rate of leg 1 or coupon	0.75	
80	Fixed rate or coupon day count convention leg 1	A008	
81	Fixed rate or coupon payment frequency period leg 1	MNTH	
82	Fixed rate or coupon payment frequency period multiplier leg 1	3	

Table 30 – Reporting of a swaption on a fixed-to-floating IRS			
No	**Field**	**Example**	**XML message**
99	Identifier of the floating rate of leg 2	GB00B56Z6W79	
100	Indicator of the floating rate of leg 2	SONA	
101	Name of the floating rate of leg 2	Sterling Overnight Index Average	
102	Floating rate day count convention of leg 2	A008	
103	Floating rate payment frequency period of leg 2	MNTH	
104	Floating rate payment frequency period multiplier of leg 2	3	
105	Floating rate reference period of leg 2 – time period	DAIL	
106	Floating rate reference period of leg 2 – multiplier	1	
107	Floating rate reset frequency period of leg 2	YEAR	
108	Floating rate reset frequency multiplier of leg 2	1	
109	Spread of leg 2		
110	Spread currency of leg 2		
132	Option type	PUTO	
133	Option style	AMER	

```
                <DayCnt>
                  <Cd>A008</Cd>
                </DayCnt>
                <PmtFrqcy>
                  <Term>

<Unit>MNTH</Unit>
                    <Val>3</Val>
                  </Term>
                  <Prtry>
                    ...
                  </Prtry>
                </PmtFrqcy>
              </Fxd>
            </FrstLeg>
            <ScndLeg>
              <Fltg>

<Id>GB00B56Z6W79</Id>
                <Rate>
                  <Cd>SONA</Cd>
                  <Prtry>Sterling
Overnight Index Average</Prtry>
                </Rate>
                <RefPrd>

<Unit>DAIL</Unit>
                  <Val>1</Val>
                </RefPrd>
                <Sprd>
                  <MntryVal>
                    <Amt
Ccy="EUR">100.00</Amt>

<Sgn>false</Sgn>
                  </MntryVal>
                  <Pctg>
                    ...
                  </Pctg>
                </Sprd>
                <DayCnt>
                  <Cd>A008</Cd>
                </DayCnt>
                <PmtFrqcy>
                  <Term>

<Unit>MNTH</Unit>
                    <Val>3</Val>
                  </Term>

<Prtry>string</Prtry>
                </PmtFrqcy>
                <RstFrqcy>
```

Table 30 – Reporting of a swaption on a fixed-to-floating IRS			
No	**Field**	**Example**	**XML message**
134	Strike price	0.75	<Term> <Unit>YEAR</Unit> <Val>1</Val> </Term> <Prtry> ... </Prtry> </RstFrqcy> </Fltg> </ScndLeg> </IntrstRate> <Optn> <Tp>PUTO</Tp> <ExrcStyle>AMER</ExrcStyle> <StrkPric> <MntryVal> <Amt Ccy="EUR">0.75</Amt> </MntryVal> </StrkPric> <PrmAmt Ccy="GBP">200000.00</PrmAmt> <PrmPmtDt>2022-07-01</PrmPmtDt> <MtrtyDtOfUndrlyg>2025-12-01</MtrtyDtOfUndrlyg> </Optn> </TxData> </CmonTradData> <DerivEvt> <DerivEvtTp>TRAD</DerivEvtTp> … </DerivEvt> </New> </Rpt>
138	Strike price currency/currency pair		
139	Option premium amount	200000	
140	Option premium currency	GBP	
141	Option premium payment date	01/07/2022	
142	Maturity date of the underlying	01/12/2025	
151	Action type	NEWT	
152	Event type	TRAD	

Table 31 - Reporting of an exercise of a swaption			
No	**Field**	**Example**	**XML message**
1	UTI	AAAAABBBBBCCCCCDDDDD67890	<Rpt> <Termntn> <CmonTradData> <TxData>
3	Prior UTI	AAAAABBBBBCCCCCDDDDD12345	

Table 31 - Reporting of an exercise of a swaption			
No	**Field**	**Example**	**XML message**
45	Early termination date	20221101	<UnqTxIdr> <UnqTxIdr>AAAAABBBBBCCCCCDDDDD67890</UnqTxIdr> <Prtry> ... </Prtry> </UnqTxIdr> <PrrUnqTxIdr> <UnqTxIdr>AAAAABBBBBCCCCCDDDDD12345</UnqTxIdr> <Prtry> ... </Prtry> </PrrUnqTxIdr> <EarlyTermntnDt>2022-11-01</EarlyTermntnDt> </TxData> </CmonTradData> <DerivEvt> <DerivEvtTp>ETRM</DerivEvtTp> … </DerivEvt> </Termntn> </Rpt>
151	Action type	TERM	
152	Event type	EXER	

Table 32 - Reporting of a swap after execution of the swaption			
No	**Field**	**Example**	**XML message**
1	UTI	AAAAABBBBBCCCCCDDDDD67890	<Rpt> <New> <CmonTradData> <TxData> <UnqTxIdr> <UnqTxIdr>AAAAABBBBBCCCCCDDDDD67890</UnqTxIdr> <Prtry> ... </Prtry> </UnqTxIdr> <PrrUnqTxIdr> <UnqTxIdr>AAAAABBBBBCCCCCDDDDD12345</UnqTxIdr> <Prtry>
3	Prior UTI	AAAAABBBBBCCCCCDDDDD12345	
79	Fixed rate of leg 1 or coupon	0.75	
80	Fixed rate or coupon day count convention leg 1	A008	
81	Fixed rate or coupon payment frequency	MNTH	

Table 32 - Reporting of a swap after execution of the swaption			
No	**Field**	**Example**	**XML message**
	period leg 1		... </Prtry> </PrrUnqTxIdr> <IntrstRate> <FrstLeg> <Fxd> <Rate> <Dcml>0.75</Dcml> </Rate> <DayCnt> <Cd>A008</Cd> </DayCnt> <PmtFrqcy> <Term> <Unit>MNTH</Unit> <Val>3</Val> </Term> <Prtry> ... </Prtry> </PmtFrqcy> </Fxd> </FrstLeg> <ScndLeg> <Fltg> <Id>GB00B56Z6W79</Id> <Rate> <Cd>SONA</Cd> <Prtry>Sterling Overnight Index Average</Prtry> </Rate> <RefPrd> <Unit>DAIL</Unit> <Val>1</Val> </RefPrd> <Sprd> <MntryVal> <Amt Ccy="EUR">100.00</Amt> <Sgn>false</Sgn> </MntryVal> <Pctg> ... </Pctg> </Sprd> <DayCnt> <Cd>A008</Cd> </DayCnt> <PmtFrqcy> <Term> <Unit>MNTH</Unit> <Val>3</Val> </Term>
82	Fixed rate or coupon payment frequency period multiplier leg 1	3	
99	Identifier of the floating rate of leg 2	GB00B56Z6W79	
100	Indicator of the floating rate of leg 2	SONA	
101	Name of the floating rate of leg 2	Sterling Overnight Index Average	
102	Floating rate day count convention of leg 2	A008	
103	Floating rate payment frequency period of leg 2	MNTH	
104	Floating rate payment frequency period multiplier of leg 2	3	
105	Floating rate reference period of leg 2 – time period	DAIL	

Table 32 - Reporting of a swap after execution of the swaption			
No	**Field**	**Example**	**XML message**
106	Floating rate reference period of leg 2 – multiplier	1	<Prtry>string</Prtry> </PmtFrqcy> <RstFrqcy> <Term> <Unit>YEAR</Unit> <Val>1</Val> </Term> <Prtry> ... </Prtry> </RstFrqcy> </Fltg> </ScndLeg> </IntrstRate> </TxData> </CmonTradData> <DerivEvt> <DerivEvtTp>ETRM</DerivEvtTp> … </DerivEvt> </New> </Rpt>
107	Floating rate reset frequency period of leg 2	YEAR	
108	Floating rate reset frequency multiplier of leg 2	1	
109	Spread of leg 2		
110	Spread currency of leg 2		
151	Action type	NEWT	
152	Event type	EXER	

Q65. Are there any other aspects in reporting of swaptions that should be clarified?

6.3 Reporting of other IR products

397. Another popular type of interest rate derivatives are Forward Rate Agreements (FRAs). When reporting FRAs, the counterparties should report the underlying rate in the fields pertaining to the underlying section (fields 13-16 of the Table 2). Furthermore, the counterparties should pay attention to correctly report the fields “execution timestamp”, “effective date”, “maturity date” and “settlement date:

398. Execution timestamp should be populated with the relevant date and time when the derivative was concluded by the counterparties and following the specifications in the validation table.

399. Effective date is the date when obligations under the contract come into effect. Unless the obligations between the counterparties are postponed to a future date, this is the same as the date part of the execution timestamp. Effective date is not the settlement date referred to in the FRA documentation.

400. Maturity date is the date agreed by the counterparties when the obligations under the derivative expire. In the case of FRAs, this is the date on which the exposures between the counterparties are extinguished by the determination of the payment covering the difference between the agreed rate and the prevailing market rate. This is not the final date of the underlying rate.

401. Settlement date is the date on which the counterparties settle the underlying. The underlying of a FRA is a forward interest rate and the settlement of the difference between the agreed rate

402. Other instruments that should be classified as interest rate derivatives are e.g. cross-currency swaps as well as caps and floors.

403. In the case of caps and floors, the counterparties should populate both the fields relevant for options and fields relevant for interest rate derivatives (similarly to the example of swaption illustrated in the section 6.2).

404. In the case of crosscurrency swaps, the counterparties should populate both the fields relevant for foreign exchange derivatives and fields relevant for interest rate derivatives.

Q66. Are there any other aspects in reporting of FRAs, cross-currency swaps, caps and floors or other IR derivatives that should be clarified?

6.4 Reporting of FX swaps and forwards

405. The Final contractual settlement date as specified in the draft RTS on reporting iis not a repeatable field, therefore it will not be possible to report both settlement dates – of the near and far leg – in this field.

406. FX swap is reported in a single report, therefore the Package ientifier is not populated.

407. The below examples illustrate:

a. How should an FX swap be reported under Article 9 of EMIR?

b. How should a lifecycle event affecting a single leg of a swap be reported under Article 9 of EMIR?

408. Following scenarios are considered:

- Scenario A: Reporting of an FX swap composed of a spot and forward leg.

- Scenario B: Reporting of an FX swap composed of two forward legs.

409. In both scenarios the derivatives have the following characteristics:

- Banks A and B enter in a EUR/GBP swap instrument on 1 June 2018 (regardless of how the instrument has been subsequently confirmed or settled);

- notional of the contract: 1M€;

- maturity date of the contract: 31 December 2018;

- the swap is physically settled;

- Bank A delivers GBP and receives EUR for the far leg; thus it is identified as the receiver of leg 1 (EUR)

- the exchange rate of the near leg is 0.88 EUR/GBP, while the exchange rate of the far leg is 0.865 EUR/GBP.

Table 33 - Reporting of an FX swap composed of a spot and forward leg

Item	Field	Example	XML message
1	Reporting timestamp	2018-06-01T12:00:00Z	<New> <CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI>LEI Bank A</LEI> </Id> <Drctn> <DrctnOfTheFrstLeg>TAKE</DrctnOfTheFrstLeg> <CtrPtySd>BYER</CtrPtySd> </Drctn> </RptgCtrPty> <OthrCtrPty> <IdTp> <Lgl> <LEI>LEI Bank B</LEI> </Lgl> </IdTp> <Drctn> <DrctnOfTheScndLeg>MAKE</DrctnOfTheScndLeg> </Drctn> </OthrCtrPty> </CtrPty> <RptgTmStmp>2018-06-01T12:00:00Z</RptgTmStmp> </CtrPtySpcfcData> <CmonTradData> <CtrctData> <CtrctTp>SWAP</CtrctTp> <AsstClss>CURR</AsstClss>
4	Counterparty 1 (Reporting counterparty)	LEI Bank A	
9	Counterparty 2	LEI Bank B	
18	Direction of leg 1	TAKE	
19	Direction of leg 2	MAKE	
1	UTI	123456	
6	Package identifier		
9	Product classification	SFAXXP	
10	Contract type	SWAP	

Table 33 - Reporting of an FX swap composed of a spot and forward leg			
Item	**Field**	**Example**	**XML message**
11	Asset class	CURR	<PdctClssfctn>SFAXXP</PdctClssfctn> <SttlmCcy> <CcyFrstLeg>EUR</CcyFrstLeg> <CcyScndLeg>GBP</CcyScndLeg> </SttlmCcy> </CtrctData> <TxData> <UnqTxIdr> <UnqTxIdr>123456</UnqTxIdr> </UnqTxIdr> <CmplxTradId></CmplxTradId> <TxPric> <Pric> ... </Pric> </TxPric> <NtnlAmt> <Amt Ccy="EUR">1000000</Amt> </NtnlAmt> <NtnlAmt> <Amt Ccy="GBP">865000</Amt> </NtnlAmt> <DlvryTp>PHYS</DlvryTp> <ExctnTmStmp>2018-06-01T12:00:00Z</ExctnTmStmp> <FctvDy>2018-06-01</FctvDy> <XprtnDt>2018-12-31</XprtnDt> <SttlmDt>2019-01-02</SttlmDt> <Ccy> <XchgRate>0.88</XchgRate> <FwdXchgRate>0.865</FwdXchgRate> <XchgRateBsis>EUR/GBP</XchgRateBsis> </Ccy> </TxData> </CmonTradData> <DerivEvt> <DerivEvtTp>TRAD</DerivEvtTp> … </DerivEvt> </New>
19	Settlement currency 1	EUR	
20	Settlement currency 2	GBP	
42	Execution timestamp	2018-06-01T12:00:00Z	
43	Effective date	2018-06-01	
44	Expiration date	2018-12-31	
46	Final contractual settlement date	2019-01-02	
47	Delivery type	PHYS	
48	Price		

Table 33 - Reporting of an FX swap composed of a spot and forward leg			
Item	**Field**	**Example**	**XML message**
49	Price currency		
55	Notional amount of leg 1	1000000	
64	Notional amount of leg 2	865000	
56	Notional currency 1	EUR	
65	Notional currency 2	GBP	
113	Exchange rate 1	0.88	
114	Forward exchange rate	0.865	

Table 33 - Reporting of an FX swap composed of a spot and forward leg			
Item	**Field**	**Example**	**XML message**
115	Exchange rate basis	EUR/GBP	
151	Action type	NEWT	
152	Event type	TRAD	

Table 34 - Reporting of an FX swap composed of two forward legs			
Item	**Field**	**Example**	**XML message**
1	Reporting timestamp	2018-06-01T12:00:00Z	<New> <CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI>LEI Bank A</LEI> </Id> <Drctn> <DrctnOfTheFrstLeg>TAKE</DrctnOfTheFrstLeg> <CtrPtySd>BYER</CtrPtySd> </Drctn>
4	Counterparty 1 (Reporting counterparty)	LEI Bank A	
9	Counterparty 2	LEI Bank B	
18	Direction of leg 1	TAKE	

Table 34 - Reporting of an FX swap composed of two forward legs			
Item	**Field**	**Example**	**XML message**
19	Direction of leg 2	MAKE	</RptgCtrPty> <OthrCtrPty> <IdTp> <Lgl> <LEI>LEI Bank B</LEI> </Lgl> </IdTp> <Drctn> <DrctnOfTheScndLeg>MAKE</DrctnOfTheScndLeg> </Drctn> </OthrCtrPty> </CtrPty> <RptgTmStmp>2018-06-01T12:00:00Z</RptgTmStmp> </CtrPtySpcfcData> <CmonTradData> <CtrctData> <CtrctTp>SWAP</CtrctTp> <AsstClss>CURR</AsstClss> <PdctClssfctn>SFCXXP</PdctClssfctn> <SttlmCcy> <CcyFrstLeg>EUR</CcyFrstLeg> <CcyScndLeg>GBP</CcyScndLeg> </SttlmCcy> </CtrctData> <TxData> <UnqTxIdr> <UnqTxIdr>123457</UnqTxIdr> </UnqTxIdr> <CmplxTradId></CmplxTradId> <TxPric> <Pric> ... </Pric> </TxPric> <NtnlAmt> <Amt Ccy="EUR">1000000</Amt> </NtnlAmt> <NtnlAmt> <Amt Ccy="GBP">865000</Amt> </NtnlAmt> <DlvryTp>PHYS</DlvryTp> <ExctnTmStmp>2018-06-01T12:00:00Z</ExctnTmStmp> <FctvDy>2018-06-01</FctvDy> <XprtnDt>2018-12-31</XprtnDt> <SttlmDt>2019-01-02</SttlmDt> <Ccy> <XchgRate>0.88</XchgRate>
1	UTI	123457	
6	Package identifier		
9	Product classification	SFCXXP	
10	Contract type	SWAP	
11	Asset class	CURR	
19	Settlement currency 1	EUR	
20	Settlement currency 2	GBP	
42	Execution timestamp	2018-06-01T12:00:00Z	
43	Effective date	2018-06-01	

Table 34 - Reporting of an FX swap composed of two forward legs			
Item	**Field**	**Example**	**XML message**
44	Expiration date	2018-12-31	<FwdXchgRate>0.865</FwdXchgRate> <XchgRateBsis>EUR/GBP</XchgRateBsis> </Ccy> </TxData> </CmonTradData> <DerivEvt> <DerivEvtTp>TRAD</DerivEvtTp> … </DerivEvt> </New>
46	Final contractual settlement date	2019-01-02	
47	Delivery type	PHYS	
48	Price		
49	Price currency		
55	Notional amount of leg 1	1000000	
64	Notional amount of leg 2	865000	
56	Notional currency 1	EUR	
65	Notional currency 2	GBP	
113	Exchange rate 1	0.88	

Table 34 - Reporting of an FX swap composed of two forward legs			
Item	**Field**	**Example**	**XML message**
114	Forward exchange rate	0.865	
115	Exchange rate basis	EUR/GBP	
151	Action type	NEWT	
152	Event type	TRAD	

410. The following scenario is considered:

- The derivative is concluded on 1 June 2018;
- notional of the contract: 1M€;
- maturity date of the contract: 31 December 2018;

- the swap is physically settled;

- Bank A sells EUR and gets GBP for the near leg (and delivers GBP and receives EUR for the far leg);

- the exchange rate of the near leg is 0.88 EUR/GBP, while the exchange rate of the far leg is 0.865 EUR/GBP;

- the two settlement dates are 01/08/2018 and 02/01/2019.

411. On 17 July there is a compression of the near leg, while the far leg continues. Therefore the FX swap needs to be terminated with action type 'TERM' and event type 'COMP' and the FX forward contract arising from this compression has to be reported with a new UTI and flagging the 'PTRR' field as true. PTRR IS is populated both for the FX forward and the termination report of the FX swap.

412. This way of reporting is envisaged only in the cases where lifecycle events impact a single leg of an FX swap. It should not be followed in case of a normal settlement of a near leg, as envisaged in the original contract.

413. In line with the validation rules, only a limited subset of fields is required for action type 'TERM'.

Table 35 - New Report (for a swap)

No	Field	Example	XML message
1	Reporting timestamp	2018-06-01T12:00:00Z	<New> <CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI>LEI Bank A</LEI> </Id> <Drctn> <DrctnOfTheFrstLeg>TAKE</DrctnOfTheFrstLeg> <CtrPtySd>BYER</CtrPtySd> </Drctn> </RptgCtrPty> <OthrCtrPty> <IdTp> <Lgl> <LEI>LEI Bank B</LEI> </Lgl> </IdTp> <Drctn> <DrctnOfTheScndLeg>MAKE</DrctnOfTheScndLeg> </Drctn>
4	Counterparty 1 (Reporting counterparty)	LEI Bank A	
9	Counterparty 2	LEI Bank B	
18	Direction of leg 1	TAKE-	
19	Direction of leg 2	MAKE	
1	UTI	123456	

Table 35 - New Report (for a swap)			
No	**Field**	**Example**	**XML message**
5	PTRR ID		</OthrCtrPty> </CtrPty> <RptgTmStmp>2018-06-01T12:00:00Z</RptgTmStmp> </CtrPtySpcfcData> <CmonTradData> <CtrctData> <CtrctTp>SWAP</CtrctTp> <AsstClss>CURR</AsstClss> <PdctClssfctn>SFCXXP</PdctClssfctn> <SttlmCcy> <CcyFrstLeg>EUR</CcyFrstLeg> <CcyScndLeg>GBP</CcyScndLeg> </SttlmCcy> </CtrctData> <TxData> <UnqTxIdr> <UnqTxIdr>123456</UnqTxIdr> </UnqTxIdr> <PtrrId></PtrrId> <CmplxTradId></CmplxTradId> <TxPric> <Pric> ... </Pric> </TxPric> <NtnlAmt> <Amt Ccy="EUR">1000000</Amt> </NtnlAmt> <NtnlAmt> <Amt Ccy="GBP">865000</Amt> </NtnlAmt> <DlvryTp>PHYS</DlvryTp> <ExctnTmStmp>2018-06-01T12:00:00Z</ExctnTmStmp> <FctvDy>2018-06-01</FctvDy> <XprtnDt>2018-12-31</XprtnDt> <EarlyTermntnDt></EarlyTermntnDt> <SttlmDt>2019-01-02</SttlmDt> <Ptrr>FALSE</Ptrr> <Ccy> <XchgRate>0.88</XchgRate> <FwdXchgRate>0.865</FwdXchgRate> <XchgRateBsis>EUR/GBP</XchgRateBsis> </Ccy> </TxData> </CmonTradData>
9	Product classification	SFAXXP	
10	Contract type	SWAP	
11	Asset class	CURR	
19	Settlement currency 1	EUR	
20	Settlement currency 2	GBP	
38	PTRR	FALSE	
42	Execution timestamp	2018-06-01T12:00:00Z	
43	Effective date	2018-06-01	
44	Expiration date	2018-12-31	

Table 35 - New Report (for a swap)			
No	**Field**	**Example**	**XML message**
45	Early termination date		<Lvl>TCTN</Lvl> <DerivEvt> <DerivEvtTp>TRAD</DerivEvtTp> … </DerivEvt> </New>
46	Final contractual settlement date	2019-01-02	
47	Delivery type	PHYS	
48	Price		
49	Price currency		
55	Notional amount of leg 1	1000000	
64	Notional amount of leg 2	865000	
56	Notional currency 1	EUR	
65	Notional currency 2	GBP	
113	Exchange rate 1	0.88	

Table 35 - New Report (for a swap)			
No	**Field**	**Example**	**XML message**
114	Forward exchange rate	0.865	
115	Exchange rate basis	EUR/GBP	
151	Action type	NEWT	
152	Event type	TRAD	
154	Level	TCTN	

Table 36 – Termination (due to compression) of leg 1			
No	**Field**	**Example**	**XML example**
1	Reporting timestamp	2018-07-17T12:00:00Z	<Termntn> <CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI>LEI Bank A</LEI> </Id> <Drctn> <DrctnOfTheFrstLeg>- </DrctnOfTheFrstLeg> </Drctn> </RptgCtrPty> <OthrCtrPty> <IdTp> <Lgl> <LEI>LEI Bank B</LEI> </Lgl> </IdTp> <Drctn> <DrctnOfTheScndLeg>-
4	Counterparty 1 (Reporting counterparty)	LEI Bank A	
9	Counterparty 2	LEI Bank B	
18	Direction of leg 1	-	
19	Direction of leg 2	-	

Table 36 – Termination (due to compression) of leg 1			
No	**Field**	**Example**	**XML example**
1	UTI	123456-	</DrctnOfTheScndLeg> </Drctn> </OthrCtrPty> </CtrPty> <RptgTmStmp>2018-07-17T12:00:00Z</RptgTmStmp> </CtrPtySpcfcData> <CmonTradData> <CtrctData> <CtrctTp>-</CtrctTp> <AsstClss>-</AsstClss> <PdctClssfctn>-</PdctClssfctn> <SttlmCcy> <CcyFrstLeg>-</CcyFrstLeg> <CcyScndLeg>-</CcyScndLeg> </SttlmCcy> </CtrctData> <TxData> <UnqTxIdr> <UnqTxIdr>123456</UnqTxIdr> </UnqTxIdr> <PtrrId>XYZ123</PtrrId> <CmplxTradId></CmplxTradId> <TxPric> <Pric> ... </Pric> </TxPric> <NtnlAmt> <Amt Ccy=""></Amt> </NtnlAmt> <NtnlAmt> <Amt Ccy=""></Amt> </NtnlAmt> <DlvryTp></DlvryTp> <ExctnTmStmp>-</ExctnTmStmp> <FctvDy>-</FctvDy> <XprtnDt>-</XprtnDt> <EarlyTermntnDt>2018-07-17</EarlyTermntnDt> <SttlmDt>-</SttlmDt> <Ptrr></Ptrr> <Ccy>
5	PTRR ID	XYZ123	
9	Product classification	-	
10	Contract type	-	
11	Asset class	-	
19	Settlement currency 1		
20	Settlement currency 2		
38	PTRR		
42	Execution timestamp	-	
43	Effective date	-	

Table 36 – Termination (due to compression) of leg 1			
No	**Field**	**Example**	**XML example**
44	Expiration date	-	<XchgRate></XchgRate> <FwdXchgRate></FwdXchgRate> <XchgRateBsis></XchgRateBsis> </Ccy> </TxData> </CmonTradData> <Lvl>TCTN</Lvl> <DerivEvt> <DerivEvtTp>COMP</DerivEvtTp> … </DerivEvt> </Termntn>
45	Early termination date	2018-07-17-	
46	Final contractual settlement date		
47	Delivery type		
48	Price		
49	Price currency		
55	Notional amount of leg 1		
64	Notional amount of leg 2	-	
56	Notional currency 1		
65	Notional currency 2		
113	Exchange rate 1		

Table 36 – Termination (due to compression) of leg 1			
No	**Field**	**Example**	**XML example**
114	Forward exchange rate		
115	Exchange rate basis		
151	Action type	TERM	
152	Event type	COMP	
154	Level	TCTN	

Table 37 – New report of FX forward (for the far leg of the previous swap)			
No	**Field**	**Example**	**XML schema**
1	Reporting timestamp	2018-07-17T12:00:00Z	<New> <CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI>LEI Bank A</LEI> </Id> <Drctn> <DrctnOfTheFrstLeg>TAKE</DrctnOfTheFrstLeg> </Drctn> </RptgCtrPty> <OthrCtrPty> <IdTp> <Lgl> <LEI>LEI Bank B</LEI> </Lgl> </IdTp> <Drctn>
4	Counterparty 1 (Reporting counterparty)	LEI Bank A	
9	Counterparty 2	LEI Bank B	
18	Direction of leg 1	TAKE	
19	Direction of leg 2	MAKE	

Table 37 – New report of FX forward (for the far leg of the previous swap)			
No	**Field**	**Example**	**XML schema**
1	UTI	789ABC	<DrctnOfTheScndLeg>MAKE</DrctnOfTheScndLeg> </Drctn> </OthrCtrPty> </CtrPty> <RptgTmStmp>2018-07-17T12:00:00Z</RptgTmStmp> </CtrPtySpcfcData> <CmonTradData> <CtrctData> <CtrctTp>FORW</CtrctTp> <AsstClss>CURR</AsstClss> <PdctClssfctn>JFRXFP</PdctClssfctn> <SttlmCcy> <CcyFrstLeg>EUR</CcyFrstLeg> <CcyScndLeg>GBP</CcyScndLeg> </SttlmCcy> </CtrctData> <TxData> <UnqTxIdr> <UnqTxIdr>789ABC</UnqTxIdr> </UnqTxIdr> <PtrrId>XYZ123</PtrrId> <CmplxTradId></CmplxTradId> <TxPric> <Pric> ... </Pric> </TxPric> <NtnlAmt> <Amt Ccy="EUR">1000000</Amt> </NtnlAmt> <NtnlAmt> <Amt Ccy="GBP"></Amt> </NtnlAmt> <DlvryTp>PHYS</DlvryTp> <ExctnTmStmp>2018-06-01T12:00:00Z</ExctnTmStmp> <FctvDy>2018-07-01</FctvDy> <XprtnDt>2018-12-31</XprtnDt> <EarlyTermntnDt></EarlyTermntnDt> <SttlmDt> 2018-12-31</SttlmDt> <Ptrr>TRUE</Ptrr> <Ccy> <XchgRate></XchgRate> <FwdXchgRate>0.865</FwdXchgRate>
5	PTRR ID	XYZ123	
9	Product classification	JFRXFP	
10	Contract type	FORW	
11	Asset class	CURR	
19	Settlement currency 1	EUR	
20	Settlement currency 2	GBP	
38	PTRR	TRUE	
42	Execution timestamp	2018-06-01T12:00:00Z	
43	Effective date	2018-07-01	

Table 37 – New report of FX forward (for the far leg of the previous swap)			
No	**Field**	**Example**	**XML schema**
44	Expiration date	2018-12-31	<XchgRateBsis>EUR/GBP</XchgRateBsis> </Ccy> </TxData> </CmonTradData> <Lvl>TCTN</Lvl> <DerivEvt> <DerivEvtTp>TRAD</DerivEvtTp> … </DerivEvt> </New>
45	Early termination date		
46	Final contractual settlement date	2018-12-31	
47	Delivery type	PHYS-	
48	Price		
49	Price currency		
55	Notional amount of leg 1	1000000	
64	Notional amount of leg 2		
56	Notional currency 1	EUR	
65	Notional currency 2	GBP	

Table 37 – New report of FX forward (for the far leg of the previous swap)			
No	**Field**	**Example**	**XML schema**
113	Exchange rate 1		
114	Forward exchange rate	0.865	
115	Exchange rate basis	EUR/GBP	
151	Action type	NEWT	
152	Event type	TRAD	
154	Level	TCTN	

414. Considering a currency option with the following setup:

- Banks A and B enter in a EUR/GBP European call option instrument on 1 June 2018
- notional of the contract: 1,000,000 EUR;
- maturity date of the contract: 31 December 2018;
- the option is physically settled;
- Bank A is the buyer of the option;
- the strike of the option is 0.87;
- option premium is 200,000 EUR and is paid on 5 June 2018.

415. The option has only one leg and the direction should defined in accordance with the buyer/seller model. It should be determined by which counterparty buy or sell the option.

Table 38 – Reporting of a new FX option			
Item	**Field**	**Example**	**XML example**
1	Reporting timestamp	2018-06-01T12:00:00Z	
4	Counterparty 1 (Reporting counterparty)	LEI Bank A	
9	Counterparty 2	LEI Bank B	
17	Direction	BYER	
1	UTI	123OPT	
9	Product classification	OCECPS	
10	Contract type	OPTN	
11	Asset class	CURR	
19	Settlement currency 1	EUR	

```
<New>
   <CtrPtySpcfcData>
     <CtrPty>
        <RptgCtrPty>
        <Id>
         <LEI>LEI Bank A</LEI>
        </Id>
        <Drctn>
         <CtrPtySd>BYER</CtrPtySd>
        </Drctn>
      </RptgCtrPty>
      <OthrCtrPty>
        <IdTp>
         <Lgl>
           <LEI>LEI Bank B</LEI>
         </Lgl>
        </IdTp>
      </OthrCtrPty>
     </CtrPty>
     <RptgTmStmp>2018-07-
17T12:00:00Z</RptgTmStmp>
   </CtrPtySpcfcData>
   <CmonTradData>
      <CtrctData>
         <CtrctTp>OPTN</CtrctTp>
         <AsstClss>CURR</AsstClss>

<PdctClssfctn>OCECPS</PdctClssfctn>
         <SttlmCcy>

<CcyFrstLeg>EUR</CcyFrstLeg>

<CcyScndLeg>GBP</CcyScndLeg>
         </SttlmCcy>
      </CtrctData>
      <TxData>
         <UnqTxIdr>

<UnqTxIdr>123OPT</UnqTxIdr>
         </UnqTxIdr>
         <TxPric>
            <Pric>
               ...
            </Pric>
         </TxPric>
          <NtnlAmt>
            <Amt
Ccy="EUR">1000000</Amt>
          </NtnlAmt>
         <NtnlAmt>
```

Table 38 – Reporting of a new FX option			
Item	**Field**	**Example**	**XML example**
20	Settlement currency 2	GBP	<Amt Ccy="GBP"></Amt> </NtnlAmt> <DlvryTp>PHYS</DlvryTp> <ExctnTmStmp>2018-06-01T12:00:00Z</ExctnTmStmp> <FctvDy>2018-07-01</FctvDy> <XprtnDt>2018-12-31</XprtnDt> <EarlyTermntnDt></EarlyTermntnDt> <SttlmDt> 2018-12-31</SttlmDt> <Optn> <Tp>CALL</Tp> <StrkPric> <MntryVal> <Amt Ccy="EUR/GBP">0.87</Amt> </MntryVal> </StrkPric> <PrmAmt> <Amt Ccy="EUR">200000</Amt> </PrmAmt> <PrmPmtDt>2018-06-05</PrmPmtDt> </Optn> </TxData> </CmonTradData> <Lvl>TCTN</Lvl> <DerivEvt> <DerivEvtTp>TRAD</DerivEvtTp> … </DerivEvt> </New>
42	Execution timestamp	2018-06-01T12:00:00Z	
43	Effective date	2018-06-01	
44	Expiration date	2018-12-31	
46	Final contractual settlement date	2018-12-31	
47	Delivery type	PHYS	
48	Price		
49	Price currency		
55	Notional amount of leg 1	1000000	
56	Notional currency 1	EUR	

Table 38 – Reporting of a new FX option			
Item	**Field**	**Example**	**XML example**
65	Notional currency 2	GBP	
132	Option type	CALL	
134	Strike price	0.87	
138	Strike price currency/currency pair	EUR/GBP	
139	Option premium amount	200000	
140	Option premium currency	EUR	
141	Option premium payment date	2018-06-05	
151	Action type	NEWT	
152	Event type	TRAD	
152	Level	TCTN	

Q67. In the case of FX swaps, what is the rate to be used for notional amount of leg 2? Should it be the forward exchange rate of the far leg as it is in the example provided? Or the spot exchange rate of the near leg?

Q68. In the case of FX swaps, considering that the 'Final contractual settlement date' is not a repeatable field, should the settlement date of the near leg be reported, for example using the other payments fields?

Q69. Do you have any questions with regarding to reporting of FX forwards?

Q70. Do you have any questions with regarding to reporting of FX options?

6.4.1 Additional considerations on the reporting of currencies

416. The two alternatives in this sub-section should be read also in conjuction with the guidance provided in section 8.2.4.

417. Alternative 1: Agreement is reached between the counterparties. There are three way to do so:

a. Using market convention. In this case, ESMA underlines that it suits well for standard currencies but reconciliation issues could arise for more exotic ones with not so well defined market convention.

b. Using alphabetical order. In this case, there should be no issue for the reconciliation process because the rule is clear, objective and simple to implement, but the reporting could sometimes differ from what was initially intent for the trade (i.e: reporting of EUR/AUD would be reported with AUD as the direction of leg 1 and EUR as the direction of leg 2, but it is not the market convention and it could be reported in a different way than the initial trade intent).

c. Using full agreement between counterparties. Even if this solution seems the best to reflect initial intent of the trade, there might arise issues on implementation process because it implies that counterparties agree in a very short period of time.

418. Alternative 2: Counterparties may not reach an agreement and the subsequent data reconciliation issues should be solved by the TR issue. In this case, what is the best way to proceed?

a. TR reconciliation should be only on currencies irrespective of leg 1 or leg 2.

b. TR reconciliation should be done as for ISINs under SFTR.

419. ESMA underline that in the case of option 2, there is no issue for reconciliation, but that doesn't mean that coherence in the report is verified.

Q71. What is the most appropriate way to report direction of the derivative and of the currencies involved with an objective to achieve successful reconciliation? Please detail the reasons for your response.

6.5 Reporting of NDFs

420. Non-deliverable forwards (NDFs) are cash-settled foreign exchange forward contracts. Such a cash-settled forward contract specifies an exchange rate against the currency of delivery (the convertible currency), typically the US dollar, a notional amount of the non-convertible currency and a settlement date. A cash-settled FX forward contract is akin to a classical physically-settled FX forward contract, but with the former there is no physical delivery of the designated currencies at maturity. On the settlement date, the spot market

exchange rate is instead compared to the forward rate and the cash-settled contract is settled on a net basis, in the convertible currency based on the notional amount.

421. Considering a currency non-deliverable forward (NDF) with the following setup:

- Banks A and B enter in a BRL/USD NDF instrument on 1 June 2018

- notional of the contract: 1M BRL;

- maturity date of the contract: 31 December 2018;

- the forward is cash-settled because of its non-deliverable nature;

- Bank A delivers or receives the difference (according to its sign) in USD between the spot and the forward at the settlement date;

USD is populated in Settlement Currency 1.

- the forward exchange rate is 0.29 BRL/USD.

422. In the case of forwards related to currencies, the counterparty 1 should identify itself as either the payer or the receiver for leg 1 (BRL in this example). Given that in this example the reporting counterparty would receive the difference in case of increase in the BRL value (decrease in the exchange rate), it is identified as the receiver of leg 1.

423. Price is not populated as the price information is considered to be included in the forward exchange rate field.

424. Given that there is just one settlement currency, it should be always populated as settlement currency 1.

Table 39 – Reporting of an NDF

No	Field	Example	XML schema
1	Reporting timestamp	2018-06-01T12:00:00Z	<New> <CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI>LEI Bank A</LEI> </Id> <Drctn> <CtrPtySd>MAKE</CtrPtySd> </Drctn> </RptgCtrPty> <OthrCtrPty> <IdTp> <Lgl> <LEI>LEI Bank B</LEI> </Lgl> </IdTp> </OthrCtrPty> </CtrPty> <RptgTmStmp>2018-07-
4	Counterparty 1 (Reporting counterparty)	LEI Bank A	
9	Counterparty 2	LEI Bank B	
17	Direction	MAKE	
1	UTI	123NDF	

Table 39 – Reporting of an NDF			
No	**Field**	**Example**	**XML schema**
9	Product classification	JFRXFN	17T12:00:00Z</RptgTmStmp> </CtrPtySpcfcData> <CmonTradData> <CtrctData> <CtrctTp>FORW</CtrctTp> <AsstClss>CURR</AsstClss> <PdctClssfctn>JFRXFN</PdctClssfctn> <SttlmCcy> <CcyFrstLeg>USD</CcyFrstLeg> <CcyScndLeg>- </CcyScndLeg> </SttlmCcy> </CtrctData> <TxData> <UnqTxIdr> <UnqTxIdr>123NDF</UnqTxIdr> </UnqTxIdr> <TxPric> <Pric> ... </Pric> </TxPric> <NtnlAmt> <Amt Ccy="BRL">1000000</Amt> </NtnlAmt> <NtnlAmt> <Amt Ccy="USD"></Amt> </NtnlAmt> <DlvryTp>CASH</DlvryTp> <ExctnTmStmp>2018-06- 01T12:00:00Z</ExctnTmStmp> <FctvDy>2018-06-01</FctvDy> <XprtnDt>22018-12- 31</XprtnDt> <SttlmDt>2018-12- 31</SttlmDt> <Ccy> <FwdXchgRate>0.29</FwdXchgRate> <XchgRateBsis>BRL/USD</XchgRateBsis> </Ccy> </TxData> </CmonTradData> <Lvl>TCTN</Lvl> <DerivEvt> <DerivEvtTp>TRAD</DerivEvtTp> …
10	Contract type	FORW	
11	Asset class	CURR	
19	Settlement currency 1	USD	
20	Settlement currency 2	-	
42	Execution timestamp	2018-06-01T12:00:00Z	
43	Effective date	2018-06-01	
44	Expiration date	2018-12-31	
46	Final contractual settlement date	2018-12-31	
47	Delivery type	CASH	

Table 39 – Reporting of an NDF			
No	**Field**	**Example**	**XML schema**
48	Price		</DerivEvt> </New>
49	Price currency		
55	Notional amount of leg 1	1000000	
56	Notional currency 1	BRL	
65	Notional currency 2	USD	
114	Forward exchange rate	0.29	
115	Exchange rate basis	BRL/USD	
151	Action type	NEWT	
152	Event type	TRAD	
152	Level	TCTN	

Q72. Do you agree with the population of the fields for NDF as illustrated in the above example? Should other pairs of NDFs be considered? Please provide complete details and examples if possible.

6.6 Reporting of CFDs

425. Contracts for Difference (CFDs) generally do not have any specified maturity date and at the moment of their conclusion the termination date is also not specified. Counterparties may at any moment decide to close the contract, with immediate effect. They can also close it partially as counterparties may terminate only a part of the volume on one day and the other part or parts of the contract on any other day.

426. Each opening of a new contract should be reported by the counterparties to the TR as a new entry. This means that each CFD has to be reported with its distinct Unique Trade Identifier and action type 'New' or if the trade is included in a position on the same day it can be reported with action type 'Position Component', even if they are executed and then netted or terminated for other reasons during the same day.

427. Furthermore, the CFDs have to be reported even if they are concluded with a counterparty that is not subject to the reporting obligation, such as an individual not carrying out an economic activity and who is consequently not considered as an undertaking.

428. Subsequent CFDs do not have to be included in a position, however, it is strongly recommended to do so. As these derivatives have no maturity, it would imply that without including in a position each individual CFD by a financial counterparty would need to receive daily valuation updates until either 1) the CFD is terminated or 2) infinity. Outstanding CFDs need valuation updates, but when included in a position, the valuation can be provided at position level in accordance with the section 5.7.

429. ESMA considers offsetting CFDs to be reportable derivatives requiring a Unique Trade Identifier for each derivative. In case CFDs are not netted into a position, offsetting CFDs need to be terminated.

430. Once the CFD is closed, the counterparty should send a termination report to the initial entry, completing the field "Early termination date". If the CFD is closed partially, counterparties send a report with action type 'Modify' and event type 'Early termination' to the initial entry, reducing only its "Notional amount" (remaining volume is equal to the not yet terminated volume). If there is another partial close, yet another modification report is sent – until the contract is finally closed in whole. Then, the counterparties send a termination report with action type 'Terminate' and event type 'Early termination', completing the field "Early termination date". In these cases, the opening price of the contract is reported only in the first report (with action type 'New') and it is not updated in the following modification reports. Please note that the possibility to modify the notional of a given trade, as just described, should only be used in the event that both parties in fact agree to partially terminate that trade. If however they agree to conclude an offsetting trade with a smaller notional, then a report with action type 'New' is required.

431. The below table illustrates population of fields for a new CFD (that is not included in a position) on a share XS1234567890. The UPI assigned to that CFD product is AAA111222333. The initial price of the share is 30 EUR and the reporting counterparty A buys a CFD on 1,000 shares.

Table 40 - Reporting of a new CFD			
No	**Field**	**Example**	**XML message**
1	Reporting timestamp	2023-06-06T12:00:00Z	<Rpt> <New> <CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI>AAAABBBBCCCCDDDDEE10</LEI> ... </Id> <Drctn> ...
4	Counterparty 1 (Reporting counterparty)	{LEI} of counterparty A	
9	Counterparty 2	LEI of counterparty B	
17	Direction	BYER	<CtrPtySd>BYER</CtrPtySd> </Drctn> </RptgCtrPty> <OthrCtrPty> <IdTp> <Lgl> <LEI>AAAABBBBCCCCDDDDEE20</LEI> ...
1	UTI	123CFD	
8	UPI	AAA111222333444	
9	Product classification	JESXCC	
10	Contract type	CFDS	
11	Asset class	EQUI	
13	Underlying identification type	I	
14	Underlying identification	XS1234567890	</Lgl> <Ntrl> ... </Ntrl> </IdTp> </OthrCtrPty> <Bnfcry> ... </Bnfcry> </CtrPty> <RptgTmStmp>2023-06-06T12:00:00Z</RptgTmStmp> </CtrPtySpcfcData> <CmonTradData> <CtrctData> <CtrctTp>CFDS</CtrctTp> <AsstClss>EQUI</AsstClss> <PdctClssfctn>JESXCC</PdctClssfctn> <PdctId> <UnqPdctIdr>AAA111222333444</UnqPdctIdr>

Table 40 - Reporting of a new CFD			
No	Field	Example	XML message
19	Settlement currency 1	EUR	</PdctId> <UndrlygInstrm> <ISIN>XS1234567890</ISIN> </UndrlygInstrm> <SttlmCcy> <CcyFrstLeg>EUR</CcyFrstLeg> <CcyScndLeg>-</CcyScndLeg> </SttlmCcy> </CtrctData> <TxData> <UnqTxIdr> <UnqTxIdr>123CFD</UnqTxIdr> <Prtry> ... </Prtry> </UnqTxIdr> <TxPric> <Pric> <MntryVal> <Amt Ccy="EUR">30</Amt> <Sgn>false</Sgn> </MntryVal> </Pric> </TxPric> <NtnlAmt> <Amt> <Amt Ccy="EUR">300000</Amt> <Sgn>false</Sgn> </Amt> </NtnlAmt> <NtnlQty> <Qty>1000</Qty> ... </NtnlQty> <DlvryTp>CASH</DlvryTp> <ExctnTmStmp>2023-06-05T11:43:00Z</ExctnTmStmp> <FctvDt>2023-06-05</FctvDt> <XprtnDt>-</XprtnDt> <SttlmDt>-</SttlmDt> </TxData> </CmonTradData>
20	Settlement currency 2	-	
42	Execution timestamp	2023-06-05T11:43:00Z	
43	Effective date	2023-06-05	
44	Expiration date	-	
46	Final contractual settlement date	-	
47	Delivery type	CASH	
48	Price	30	
49	Price currency	EUR	
55	Notional amount of leg 1	300000	

Table 40 - Reporting of a new CFD			
No	**Field**	**Example**	**XML message**
56	Notional currency 1	EUR	<Lvl>TCTN</Lvl> <DerivEvt> <DerivEvtTp>TRAD</DerivEvtTp> <Idr>string</Idr> <EvtTmStmp>2003-08-29T12:11:23</EvtTmStmp> </DerivEvt> </New> </Rpt>
60	Total notional quantity of leg 1	1000	
151	Action type	NEWT	
152	Event type	TRAD	
152	Level	TCTN	

Q73. Do you agree with the population of the fields for CFD as illustrated in the above example? Do you require any other clarifications?

6.7 Reporting of equity derivatives

432. Equity derivatives are a type of derivatives whose value is derived, at least partly, from one or more underlying equity securities. Options and futures are the most common equity derivatives. The type of contract and the asset class (EQUI) should be specified in field 2.11 as indicated on the draft RTS and the draft ITS on reporting.

433. A Total Return Swap is a contract between two parties who exchange returns from a financial asset (underlying) between them. In this kind of derivatives, one party makes payments based on a set rate while the other party makes payments based on the total return of the underlying asset. The underlying assets are usually a bond, equity, equity index, interest, or loan.

434. For example, a Total Return Swap on an equity index should be reported with the value 'EQUI' in field 2.11 Asset Class, whereas a Total Return Swap on a bond or loan should be reported with the value ' CRDT' in field 2.11 Asset Class .

435. The event type 'Corporate actions' should be used in the case of lifecycle events triggered by corporate actions on the underlying equities. See section 5.6 for more details.

436. The direction of the trade of most equity swaps should be reported following the approach in which the counterparties would indicate whether the reporting counterparty is payer/receiver for a given leg at the time of the derivative, using an indicator in the dedicated fields (“Direction of leg 1” or “Direction of leg 2”). See the section 5.12 of this guideline for further details.

437. In addition, as stated in the Article 4 of the draft ITS on reporting, in the swaps related to dividends, the counterparty receiving the equivalent dividend amount payments should be identified as the buyer and the counterparty paying that equivalent dividend amount payments should be identified as the seller. Furthermore, swaps related to securities other than dividend swaps, should identify the counterparty 1 as either the payer or the receiver for leg 1, and the opposite for leg 2. The counterparty 2 should populate these two fields with the opposite values related to the counterparty 1.

438. The notional amount of the:

a. Equity options should be reported as the product of the strike price and the number of shares or index units.

b. Equity forwards should be reported as the product of the forward price and the number of shares or index units.

c. Equity swaps and portfolio equity swaps should be reported as the product of the initial price and the number of shares or index units.

d. Equity CFDs and similar products should be reported as the product of the initial price and the number of shares or index units.

e. Equity dividend swaps should be reported as the product of the period fixed strike and the number of shares or index units.

f. Equity volatility swaps should be reported as the vega notional amount.

g. Equity variance swaps should be reported as the variance amount.

439. The price of:

a. Equity forwards should be reported as the forward price of the underlying or reference asset.

b. Equity swaps should be reported as the initial price of the underlying or reference asset.

c. Equity options should be reported as the information included in the fields related to Strike price and Option premium.

440. More details on the reporting of notional and prices are provided in the section 5.17 of this guideline.

441. The strike price of equity options, when this strike price is expressed as monetary amount, should be reported with any value up to 18 numeric characters including up to 13 decimal places; e.g.: USD 6.39 expressed as 6.39. If the value has more than 13 digits after the decimal, reporting counterparties should round half-up (field 134 in the draft RTS/ITS on reporting).

442. The strike price of equity options should be reported in the currency in which the strike price is denominated (fields 137 and 138in the draft RTS/ITS on reporting).

443. Example of equity derivative following the draft TS:

A credit institution reports an equity swap where the return or payout trigger is the dividend. The other counterparty is an investment firm of its group with registered office in Spain. The notional amount is EUR 1 million, the derivative is fully collateralised. In this example the counterparty included the first valuation in the report with action type 'NEWT'.

Table 41 – Reporting of an equity derivative

No	Field	Example	XML schema
Table 1			
1	Reporting timestamp	2021-02-24T17:00:00Z	
2	Report submitting entity ID	LEI B	
3	Entity responsible for reporting	LEI A	
4	Counterparty 1 (Reporting counterparty)	LEI A	
5	Nature of the counterparty 1	F	
6	Corporate sector of the counterparty 1	CDTI	
8	Counterparty 2 identifier type	TRUE	
9	Counterparty 2	LEI C	
10	Country of the counterparty 2	ES	
11	Nature of the counterparty 2	F	
12	Corporate sector of the counterparty 2	INVF	
17	Direction	SLLR	
Table 2			
1	UTI	AAAAABBBBBCCCCCDDDDD	
5	PTRR ID		
9	Product classification	SEBDXC	
10	Contract type	SWAP	

```
<New>
     <CtrPtySpcfcData>
      <CtrPty>
         <RptgCtrPty>
         <Id>
          <LEI>LEI A</LEI>
         </Id>
         <Ntr>
             <FI>CDTI</FI>
         </Ntr>
         <Drctn>
          <CtrPtySd>SLLR</CtrPtySd>
         </Drctn>
       </RptgCtrPty>
       <OthrCtrPty>
         <Ctry>ES</Ctry>
         <IdTp>
          <Lgl>
            <LEI>LEI C</LEI>
          </Lgl>
         </IdTp>
         <Ntr>
             <FI>INVF</FI>
         </Ntr>
       </OthrCtrPty>
       <SubmitgAgt>
         <LEI>LEI B</LEI>
       </SubmitgAgt>
       <NttyRspnsblForRpt>
         <LEI>LEI A</LEI>
       </NttyRspnsblForRpt>
      </CtrPty>
      <Valtn>
          <CtrctVal>
              <Amt
Ccy="EUR">6827412.379</Amt>
          </CtrctVal>
          <TmStmp>2021-03-
02T17:00:00Z</TmStmp>
```

Table 41 – Reporting of an equity derivative			
No	**Field**	**Example**	**XML schema**
11	Asset class	EQUI	<Tp>MTMO</Tp> </Valtn> <Coll> <PrtflCd> <NoCd>NOAP</NoCd> </PrtflCd> </Coll> <RptgTmStmp>2021-02-24T17:00:00Z</RptgTmStmp> </CtrPtySpcfcData> <CmonTradData> <CtrctData> <CtrctTp>SWAP</CtrctTp> <AsstClss>EQUI</AsstClss> <PdctClssfctn>SEBDXC</PdctClssfctn> <UndrlygInstrm> <Bskt></Bskt> </UndrlygInstrm> </CtrctData> <TxData> <UnqTxIdr> <UnqTxIdr>AAAAABBBBBCCCCCDDDDD</UnqTxIdr> </UnqTxIdr> <PtrrId></PtrrId> <PltfmIdr>XXXX</PltfmIdr> <NtnlAmt> <Amt Ccy="EUR">1000000</Amt> </NtnlAmt> <DlvryTp>CASH</DlvryTp> <ExctnTmStmp>2021-02-23T17:00:00Z</ExctnTmStmp> <FctvDt>2021-02-24T17:00:00Z</FctvDt> <XprtnDt>2024-06-15T17:00:00Z</XprtnDt> <TradClr> <ClrOblgtn>TRUE</ClrOblgtn> <ClrSts> <Clrd> <Rsn>NORE</Rsn> </Clrd> <IntraGrp>TRUE</IntraGrp> </ClrSts> </TradClr> <Ptrr>FALSE</Ptrr> </TxData>
13	Underlying identification type	B	
21	Valuation amount	6827412.379	
22	Valuation currency	EUR	
23	Valuation timestamp	2021-03-02T17:00:00Z	
24	Valuation method	MTMO	
26	Collateral portfolio indicator	FALSE	
30	Clearing obligation	FLSE	
31	Cleared	N	
37	Intragroup	TRUE	
38	PTRR	FALSE	
41	Venue of execution	XXXX	
42	Execution timestamp	2021-02-23T17:00:00Z	
43	Effective date	2021-02-24T17:00:00Z	
44	Expiration date	2024-06-15T17:00:00Z	
47	Delivery type	CASH	
55	Notional amount of leg 1	1000000	
56	Notional currency 1	EUR	
151	Action type	NEWT	
152	Event type	TRAD	
154	Level	TCTN	

Table 41 – Reporting of an equity derivative			
No	**Field**	**Example**	**XML schema**
			</CmonTradData> <Lvl>TCTN</Lvl> <DerivEvt> <DerivEvtTp>TRAD</DerivEvtTp> … </DerivEvt> </New>

Q74. Specifically, in the case of equity swaps, portfolio equity swaps and equity CFDs how should the notional and the price be reported in the case of corporate event and in particular "free" allocations?

Q75. Are there any other clarifications required with regards to the reporting of equity derivatives?

6.8 Reporting of credit derivatives

444. A credit derivative is a financial contract in which the underlying is a credit asset (debt or fixed-income instrument). The purpose of a credit derivative is to transfer credit risk without transferring the asset itself. The type of contract and the asset class (’CRDT’) should be specified in the field 2.11.

445. Total Return Swaps (defined above in the section Reporting of equity derivatives of this guideline) should be classified based on the underlying. For example, a Total Return Swap on an equity index should be reported with the value ’EQUI’ in field 2.11 Asset Class whereas a Total Return Swap on a bond or loan should be reported with the value ‘CRDT’ in field Asset Class.

446. In the case of credit derivatives trades following a change in the index factor (field 2.147 in the draft RTS on reporting) due to credit events, the counterpartiers should not modify the notional (notional fields in the draft RTS/ITS), but rather they should only update the index factor (field 2.147).

447. Related to the reporting of reference entity for credit derivatives, ISO 3166 and ISO 3166-2 codes should only be used in the case of credit derivatives where the reference entity is a supranational, a sovereign or a municipality, respectively. In all other cases the reference entity should be identified with a LEI (field 2.144).

448. In the case of the reporting of a CDS with a coupons’ payment realised in a single payment at the end of the maturity date rather than a monthly, quarterly, semi- annual or annual frequency, should be reported the field 2.81 “Fixed rate or coupon payment frequency period leg 1” of the draft TS using the code ‘EXPI’ = payment at term.

449. CDS index tranches are standardised synthetic collateralised debt obligations (CDOs) based on a CDS index, where each tranche references a different segment of the loss distribution of the underlying CDS index. The riskiness of a tranche decreases with the tranche’s seniority in the securitisation’s capital structure. This enables investors take on exposures to specific segments of the CDS index default loss distribution where each tranche has a different sensitivity to credit risk correlations among entities in the index.

450. Tranches of a CDS index that absorb losses sequentially are defined by an attachment and a detachment point. They are defined in the fields 2.149 and 2.150 of the draft RTS on reporting as follows:

a. A CDS index attachment point as the lower point at which the level of losses in the underlying portfolio reduces the notional of a tranche.

b. A CDS index detachment point as the point beyond which losses in the underlying portfolio no longer reduce the notional of a tranche.

451. Both data elements, attachment and detachment points, are not applicable if the derivative is not a CDS tranche derivative (index or custom basket).

452. For example, the notional in a tranche with an attachment point of 3% and a detachment point of 6% will be reduced after there have been 3% of losses in the portfolio. 6% losses in the portfolio deplete the notional of the tranche.

453. 'Credit event' event type applies only to credit derivatives. It is defined as a credit event that results in a modification of a credit derivative, at a trade or position level. For further details see section 5.6 in this guideline.

454. In accordance with the Article 4 of the draft ITS on reporting, in the case of derivative instruments for the transfer of credit risk as the credit derivatives (mainly CDSs), the counterparty buying the protection should be identified as the buyer and the counterparty selling the protection should be identified as the seller. In the case of options and swaptions the rule under Article 4(2) of the draft ITS applies, i.e. the buyer of the option/swaption should be identified as the buyer.

455. The price of credit default swaps and credit total return swaps should be reported in the fields related to Fixed rate, Spread and Upfront payment (Other payment type: Upfront payment). More details are provided in the section 5.17 of this guideline.

456. For Credit Default Swaps (CDS), when an underlying is reported, the ISIN of the reference obligation should be provided (field 2.14).

457. The strike price of credit swaptions quoted in spread, when this strike price is expressed as percentage, should be reported with value up to 11 numeric characters including up to 10 decimal places; e.g.: 2.1 instead of 2.1% (fields 2.134 and 2.137).

458. The seniority of the debt security, or debt basket or index underlying a derivative should be reported on Seniority field for credit derivatives (field 2.143).

459. If it is applicable, the series number of the composition of the index used should be reported for credit derivatives as well as a new version of a series is issued if one of the constituents defaults and the index has to be re-weighted to account for the new number of total constituents within the index (fields 2.145 and 2.146).

460. If a credit derivative contract is tranched Tranche field should be reported (field 2.148).

461. The reporting of the field 2.47 'Delivery type' for Credit derivatives in the case of credit event auction should be reported as "CASH" (Cash) for credit derivatives that are cash-settled,. However,the counterparties should report "PHYS" (Physical) in the case of physical delivery of the underlying of the Credit derivative from the counterparty that is protection buyer to the other counterparty.

462. Example of reporting a credit derivative: A French investment firm reports the recent purchase, priced it with an internal model, of a default protection. This protection is based on a bilateral derivative entered into with an Irish investment entity. The derivative falls into the category of CDS tranche derivative with an attachment point of 10% and detachment point of 20%. The underlying of the derivative corresponds to a certain series of the Itraxx Europe index. The derivative was partially collateralised by the purchaser.

Table 42 - Reporting of a credit derivative			
No	**Field**	**Example**	**XML schema**
Table 1			

Table 42 - Reporting of a credit derivative			
No	**Field**	**Example**	**XML schema**
1	Reporting timestamp	2020-05-19T14:23:26Z	
2	Report submitting entity ID	LEI B	
3	Entity responsible for reporting	LEI A	
4	Counterparty 1 (Reporting counterparty)	LEI A	
5	Nature of the counterparty 1	F	
6	Corporate sector of the counterparty 1	INVF	
8	Counterparty 2 identifier type	TRUE	
9	Counterparty 2	LEI C	
10	Country of the counterparty 2	IE	
11	Nature of the counterparty 2	F	
12	Corporate sector of the counterparty 2	INVF	
17	Direction	BYER	
1	UTI	AABBCCDDEEFFGGHHIIPP	
5	PTRR ID		
9	Product classification	SCVCCA	
10	Contract type	SWAP	
11	Asset class	CRDT	
13	Underlying identification type	X	
14	Underlying identification		
15	Indicator of the underlying index		
16	Name of the underlying index	ITRAXX EUROPE SERIES 28 V	
21	Valuation amount	8954030.09	

```
<New>
  <CtrPtySpcfcData>
      <CtrPty>
         <RptgCtrPty>
           <Id>
            <LEI>LEI A</LEI>
           </Id>
           <Ntr>
             <FI>INVF</FI>
           </Ntr>
           <Drctn>
             <CtrPtySd>BYER</CtrPtySd>
           </Drctn>
         </RptgCtrPty>
         <OthrCtrPty>
           <Ctry>IE</Ctry>
            <IdTp>
             <Lgl>
               <LEI>LEI C</LEI>
             </Lgl>
            </IdTp>
           <Ntr>
             <FI>INVF</FI>
           </Ntr>
         </OthrCtrPty>
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         </SubmitgAgt>
         <NttyRspnsblForRpt>
           <LEI>LEI A</LEI>
         </NttyRspnsblForRpt>
      </CtrPty>
      <Valtn>
          <CtrctVal>
              <Amt
Ccy="EUR">8954030.09</Amt>
          </CtrctVal>
          <TmStmp>2020-05-
19T14:23:26Z</TmStmp>
          <Tp>MTMO</Tp>
      </Valtn>
      <Coll>
          <PrtflCd>
              <NoCd>NOAP</NoCd>
          </PrtflCd>
      </Coll>
```

Table 42 - Reporting of a credit derivative			
No	**Field**	**Example**	**XML schema**
22	Valuation currency	EUR	<RptgTmStmp>2020-05-19T14:23:26Z</RptgTmStmp> </CtrPtySpcfcData> <CmonTradData> <CtrctData> <CtrctTp>SWAP</CtrctTp> <AsstClss>CRDT</AsstClss> <PdctClssfctn>SCVCCA</PdctClssfctn> <UndrlygInstrm> <Indx> <ISIN></ISIN> <Nm>ITRAXX EUROPE SERIES 28 V</Nm> <Indx></Indx> </Indx> </UndrlygInstrm> </CtrctData> <TxData> <UnqTxIdr> <UnqTxIdr>AABBCCDDEEFFGGHHIIPP</UnqTxIdr> </UnqTxIdr> <PtrrId></PtrrId> <PltfmIdr>XXXX</PltfmIdr> <NtnlAmt> <Amt Ccy="EUR">520000000</Amt> </NtnlAmt> <DlvryTp>PHYS</DlvryTp> <ExctnTmStmp>2020-05-18T14:39:32Z</ExctnTmStmp> <FctvDt>2020-05-19T14:23:26Z</FctvDt> <XprtnDt>2022-12-20</XprtnDt> <TradClr> <ClrOblgtn>UKWN</ClrOblgtn> <ClrSts> <Clrd> <Rsn>NORE</Rsn> </Clrd> <IntraGrp>FALSE</IntraGrp> </ClrSts> </TradClr> <IntrstRate> <FrstLeg>
23	Valuation timestamp	2020-05-19T14:23:26Z	
24	Valuation method	MTMO	
26	Collateral portfolio indicator	FALSE	
30	Clearing obligation	UKWN	
31	Cleared	N	
37	Intragroup	FALSE	
38	PTRR	FALSE	
41	Venue of execution	XXXX	
42	Execution timestamp	2020-05-18T14:39:32Z	
43	Effective date	2020-05-19T14:23:26Z	
44	Expiration date	2022-12-20	
47	Delivery type	PHYS	
55	Notional amount of leg 1	520000000	
56	Notional currency 1	EUR	
79	Fixed rate of leg 1 or coupon	0.01	
80	Fixed rate or coupon day count convention leg 1	A004	
81	Fixed rate or coupon payment frequency period leg 1	MNTH	
82	Fixed rate or coupon payment frequency period multiplier leg 1	1	
143	Seniority	OTHR	
144	Reference entity		
145	Series	28	
146	Version	2	

Table 42 - Reporting of a credit derivative			
No	**Field**	**Example**	**XML schema**
147	Index factor	1	
148	Tranche	TRUE	
149	CDS index attachment point	0.10	
150	CDS index detachment point	0.20	
151	Action type	NEWT	
152	Event type	TRDE	
154	Level	TCTN	<Fxd> <Rate> <Dcml>0.01</Dcml> </Rate> <DayCnt> <Cd>A004</Cd> </DayCnt> <PmtFrqcy> <Term> <Unit>MNTH</Unit> <Val>1</Val> </Term> </PmtFrqcy> </Fxd> </FrstLeg> <Ptrr>FALSE</Ptrr> <Cdt> <Snrty>OTHR</Snrty> </Cdt> <RefPty> <LEI></LEI> </RefPty> <Srs>28</Srs> <Vrsn>2</Vrsn> <IndxFctr>1</IndxFctr> <Trch> <Trnchd> <AttchmntPt>0.10</AttchmntPt> <DtchmntPt>0.20</DtchmntPt> </Trnchd> </Trch> </TxData> </CmonTradData> <Lvl>TCTN</Lvl> <DerivEvt> <DerivEvtTp>TRAD</DerivEvtTp> … </DerivEvt> </New>

Q76. Are there any other clarifications required with regards to the reporting of credit derivatives?

6.9 Reporting of commodity derivatives

463. Table 2 of the draft RTS on reporting contains dedicated fields for reporting of commodity derivatives (fields 116-118 for all commodity deriatives and additional fields 119-131 for energy derivatives).

464. In particular, the classification of commodities should be reported in the fields 116-118 in line with the categories specified in the table 4 of the ITS. The reported classification of the underlying commodity should be as granular as possible. For example, in the case of derivatives on gold, the counterparty should specify 'Metals', 'Precious' and 'Gold' in the fields 116, 117 and 118, respectively. Only if the last underlying commodity does not correspond to any of the specific categories included in the ITS, it should be reported as 'Other'. In case no specific values are set out in the ITS for a given product for fields 117 and 118 (e.g. for the category 'Multi Commodity Exotic'), the counterparty should not report any values for these fields, in line with the XML schema.

465. The counterparties should not identify commodities in the currency fields, even if a dedicated code has been designated to such commodity in the ISO 4217 standard (e.g.XAU for gold or XBA for silver). The commodities should only be identified via commodity classification fields.

466. The commodity classification fields (116-118) are not repeatable. Therefore, in the case of commodity swaps including two commodity underlyings, the counterparty should report such swap as a complex trade composed of two commodity forwards and populate the Package ID in both reports (see section 5.27 for reporting of complex trades).

467. In the case of derivatives based on electricity or natural gas, the counterparties should report fields 119-131 (in addition to other relevant reportable details concerning the derivative and the counterparties, as illustrated in other sections).

Example: A peak load future on the price of electricity in the Spanish wholesale market. The contract is negotiated in MWh/h and the delivery should take place in Q2 2022 for a 100 MWh at 58 euros.

Table 43 - Reporting of a peak-load electricity future

No	Field	Example	XML message
116	Base product	NRGY	<Cmmdty> <Clssfctn> <Ngry> <Elctrcty>
117	Sub-product	ELEC	

Table 43 - Reporting of a peak-load electricity future			
No	**Field**	**Example**	**XML message**
118	Further sub-product	PKLD	<BasePdct>NGRY</BasePdct> <SubPdct>ELEC</SubPdct> <AddtlSubPdct>PKLD</AddtlSubPdct> </Elctrcty> </Ngry> </Clssfctn> </Cmmdty> <NrgySpcfcAttrbts> <DlvryPtOrZone> <Cd>10YES-REE------0</Cd> <Prtry> ... </Prtry> </DlvryPtOrZone> <IntrCnnctnPt> <Cd>XXXXXXXXXXXXXXX</Cd> <Prtry> ... </Prtry> </IntrCnnctnPt> <LdTp>PKLD</LdTp> <DlvryAttr> <DlvryTm> <FrTm>08:00:00Z</FrTm> <ToTm>19:59:59Z</ToTm> </DlvryTm> <DlvryPrd> <FrDtTm>2022-04-01</FrDtTm> <ToDtTm>2022-06-30</ToDtTm> </DlvryPrd> <Drtn>QURT</Drtn> <WkDay>WDAY</WkDay> <DlvryCpcty> <Qty>100</Qty> </DlvryCpcty> <QtyUnit> <Cd>MWHH</Cd> </QtyUnit> <PricTmIntrvlQty>58</PricTmIntrvlQty> <PricTmIntrvlQtyCurr>EUR</PricTmIntrvlQtyCurr> </DlvryAttr> </NrgySpcfcAttrbts>
119	Delivery point or zone	10YES-REE------0	
120	Interconnection point	XXXXXXXXXXXXXXX	
121	Load type	PKLD	
122	Delivery interval start time	08:00:00Z	
123	Delivery interval end time	19:59:59Z	
124	Delivery start date	2022-04-01	
125	Delivery end date	2022-06-30	
126	Duration	QURT	
127	Days of the week	WDAY	
128	Delivery capacity	100	
129	Quantity unit	MWHH	
130	Price/time interval quantity	58	
131	Currency of the price/time interval quantity	EUR	

Q77. Are there any other aspects in reporting of commodity derivatives that should be clarified?

7 EMIR Tables of fields

468. Article 1(1) of the draft RTS on reporting provides that “Reports to trade repositories made pursuant to Article 9 of Regulation (EU) No 648/2012 shall include the complete and accurate details set out in Tables 1, 2 and 3 of the Annex that pertain to the derivative concerned.” The use cases included in sections 7.1, 7.2, and 7.3,do not necessarily include all the fields that pertain to the derivative concerned, but they focus on specific sections of data fields in order to provide more granular and detailed guidance on the reporting without any unnecessary repetition or inclusion of other data elements.

469. The validation rules contain the complete guidance on applicable fields per Action type and Level, as well as the relevant dependencies.

470. The following sections include various scenarios and corresponding tables clarifying how these scenarios should be reported. Each table shows the reporting fields under the draft technical standards. The column ‘Field’ shows each field name, and the column ‘Example’ provides an example of what would be included in that field. The final column entitled ‘XML Message’ shows the format of the XML message which should be submitted in the report.

471. Unless otherwise stated in the specific scenario, the following background information applies to all scenarios set out in Section 7:

Counterparty A is a financial counterparty identified with LEI 12345678901234500000 Counterparty B is a financial counterparty identified with LEI ABCDEFGHIJKLMNOPQRST Counterparty C is a NFC- identified with LEI 123456789ABCDEFGHIJK Counterparty D identified with LEI 11223344556677889900 Counterparty J acts also as a clearing member and is identified with LEI CCCCCCCCCCCCCCCCCCCC CCP O is identified with LEI BBBBBBBBBB1111111111

7.1 Table 1 Counterparty data

472. This section of the guidelines details the population of the counterparty data section for several different use cases. The actual reporting in accordance with the ISO 20022 XML schemas is provided too.

473. When a derivative is cleared, each counterparty should report in the clearing member field its clearing member.

474. When a voluntary delegation of reporting or allocation of responsibility exists, the report submitting entity or entity responsible for reporting should submit the counterparty data separately, and the contract and collateral data for each of the two sides reported.

475. When there are use cases that cover two or more of the use cases included below, the reporting counterparties, the entities responsible for reporting or the report submitting entities should include all the relevant details based on the below guidance.

Table 44
Use Cases
Cleared Option between FCs
Cleared Option between FCs with voluntary delegation agreement
Non-Cleared Option between FCs
OTC Option between NFC - and FC
OTC Option between NFC - and NFC +
OTC Contract type between FCs which requires the population of fields Direction of Leg 1 and Direction of Leg 2

7.1.1 Cleared Option between FCs

476. Table 45 illustrates reporting of a cleared option where the counterparty 1 (counterparty A with LEI 12345678901234500000) is a Financial Counterparty above the clearing thresholds, submit its own report (i.e. there is not a separate report submitting entity) and is the entity responsible for reporting. The option is concluded with the counterparty 2 (counterparty B with LEI ABCDEFGHIJKLMNOPQRST) which is a Financial Counterparty above the clearing threshold. Counterparty A accesses the CCP via clearing member D (counterparty D with LEI 11223344556677889900).

477. It should be noted that CCP field pertains to Table 2, and hence its population is covered in Section 7.2.

Table 45 - Cleared Option between FCs			
No	**Field**	**Example**	**Xml message**
1	Reporting timestamp	2021-03- 17T15:17:00Z	<CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI> 12345678901234500000 </LEI> </Id> <Ntr> <FI>CDTI</FI>
2	Report submitting entity ID	12345678901234500000	
3	Entity responsible for reporting	12345678901234500000	
4	Counterparty 1 (Reporting counterparty)	12345678901234500000	

Table 45 - Cleared Option between FCs			
No	**Field**	**Example**	**Xml message**
5	Nature of the counterparty 1	F	
6	Corporate sector of the counterparty 1	CDTI	
7	Clearing threshold of counterparty 1	TRUE	
8	Counterparty 2 identifier type	TRUE	
9	Counterparty 2	ABCDEFGHIJKLMNOPQRST	
10	Country of the counterparty 2	IT	
11	Nature of the counterparty 2	F	
12	Corporate sector of the counterparty 2	CDTI	
13	Clearing threshold of counterparty 2	TRUE	
14	Reporting obligation of the counterparty 2	TRUE	
15	Broker ID		
16	Clearing member	11223344556677889900	
17	Direction	BYER	
18	Direction of leg 1		
19	Direction of leg 2		
20	Directly linked to commercial activity or treasury financing	FALSE	

```
      <NFI>
        <ClrThrshld>
        TRUE
        </ClrThrshld>
      </NFI>
    </Ntr>
    <Drctn>
      <CtrPtySd>
      BYER
      </CtrPtySd>
    </Drctn>
  </RptgCtrPty>
  <OthrCtrPty>
    <Ctry>IT</Ctry>
    <IdTp>
      <Lgl>
        <LEI>
        ABCDEFGHIJKLMNOPQRST
        </LEI>
      </Lgl>
    </IdTp>
    <Ntr>
      <FI>CDTI</FI>
      <NFI>
        <ClrThrshld>
        TRUE
        </ClrThrshld>
        <DrctlyLkdActvty>
        FALSE
        </DrctlyLkdActvty>
      </NFI>
    </Ntr>
    <RptOblgtn>
    TRUE
    </RptOblgtn>
  </OthrCtrPty>
  <SubmitgAgt>
    <LEI>
    12345678901234500000
    </LEI>
  </SubmitgAgt>
  <NttyRspnsblForRpt>
    <LEI>
    12345678901234500000
    </LEI>
  </NttyRspnsblForRpt>

  <ClrMmb>
    <LEI>
    11223344556677889900
    </LEI>
  </ClrMmb>
```

Table 45 - Cleared Option between FCs			
No	**Field**	**Example**	**Xml message**
			</CtrPty> <RptgTmStmp> 2021-03-17T15:17:00Z </RptgTmStmp> </CtrPtySpcfcData>

7.1.2 Cleared Option between FCs with voluntary delegation agreement

478. Table 46 illustrates reporting of a cleared option where the counterparty 1 (counterparty A with LEI 12345678901234500000) is a Financial Counterparty above the clearing thresholds, is the entity responsible for reporting but delegates its reporting to the other counterparty (counterparty B with LEI ABCDEFGHIJKLMNOPQRST). The option is concluded with the counterparty 2 (counterparty B) which is a Financial Counterparty above the clearing threshold.

479. Counterparty A accesses the CCP via clearing member D (counterparty D with LEI 11223344556677889900).

480. It should be noted that CCP field pertains to Table 2, and hence its population is covered in Section 7.2.

Table 46 - Cleared Option between FCs with voluntary delegation agreement			
No	**Field**	**Example**	**Xml message**
1	Reporting timestamp	2021-03-17T15:17:00Z	<CtrPtySpcfcData> <CtrPty> <RptgCtrPty>

Table 46 - Cleared Option between FCs with voluntary delegation agreement			
No	**Field**	**Example**	**Xml message**
2	Report submitting entity ID	ABCDEFGHIJKLMNOPQRST	<Id> <LEI> 12345678901234500000 </LEI> </Id> <Ntr> <FI>CDTI</FI> <NFI> <ClrThrshld> TRUE </ClrThrshld> </NFI> </Ntr> <Drctn> <CtrPtySd>BYER</CtrPtySd> </Drctn> </RptgCtrPty> <OthrCtrPty> <Ctry>IT</Ctry> <IdTp> <Lgl> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </Lgl> </IdTp> <Ntr> <FI>CDTI</FI> <NFI> <ClrThrshld> TRUE </ClrThrshld> <DrctlyLkdActvty> FALSE </DrctlyLkdActvty> </NFI> </Ntr> <RptOblgtn>TRUE</RptOblgtn> </OthrCtrPty> <SubmitgAgt> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </SubmitgAgt>
3	Entity responsible for reporting	12345678901234500000	
4	Counterparty 1 (Reporting counterparty)	12345678901234500000	
5	Nature of the counterparty 1	F	
6	Corporate sector of the counterparty 1	CDTI	
7	Clearing threshold of counterparty 1	TRUE	
8	Counterparty 2 identifier type	TRUE	
9	Counterparty 2	ABCDEFGHIJKLMNOPQRST	
10	Country of the counterparty 2	IT	
11	Nature of the counterparty 2	F	
12	Corporate sector of the counterparty 2	CDTI	
13	Clearing threshold of counterparty 2	TRUE	
14	Reporting obligation of the counterparty 2	TRUE	
15	Broker ID		
16	Clearing member	11223344556677889900	
17	Direction	BYER	
18	Direction of leg 1		
19	Direction of leg 2		

Table 46 - Cleared Option between FCs with voluntary delegation agreement			
No	**Field**	**Example**	**Xml message**
20	Directly linked to commercial activity or treasury financing	FALSE	<NttyRspnsblForRpt> <LEI> 12345678901234500000 </LEI> </NttyRspnsblForRpt> <ClrMmb> <LEI> 11223344556677889900 </LEI> </ClrMmb> </CtrPty> <RptgTmStmp> 2021-03-17T15:17:00Z </RptgTmStmp> </CtrPtySpcfcData>

7.1.3 Non-Cleared Option between FCs

481. Table 47 illustrates reporting of a non cleared option where the counterparty 1 (counterparty A with LEI 12345678901234500000) is a Financial Counterparty above the clearing thresholds, is the entity responsible for reporting and report its own report. The option is concluded with the counterparty 2 (counterparty B with LEI ABCDEFGHIJKLMNOPQRST) which is a Financial Counterparty above the clearing threshold.

Table 47 – Non cleared option between FCs			
No	**Field**	**Example**	**Xml message**
1	Reporting timestamp	2021-03-17T15:17:00Z	`<CtrPtySpcfcData><CtrPty><RptgCtrPty><Id><LEI>12345678901234500000</LEI></Id><Ntr><FI>CDTI</FI><NFI><ClrThrshld>TRUE</ClrThrshld></NFI></Ntr><Drctn><CtrPtySd>BYER</CtrPtySd></Drctn></RptgCtrPty><OthrCtrPty><Ctry>FR</Ctry><IdTp><Lgl><LEI>ABCDEFGHIJKLMNOPQRST</LEI></Lgl></IdTp><Ntr><FI>CDTI</FI><NFI><ClrThrshld>TRUE</ClrThrshld><DrctlyLkdActvty>FALSE</DrctlyLkdActvty></NFI></Ntr><RptOblgtn>TRUE`
2	Report submitting entity ID	12345678901234500000	
3	Entity responsible for reporting	12345678901234500000	
4	Counterparty 1 (Reporting counterparty)	12345678901234500000	
5	Nature of the counterparty 1	F	
6	Corporate sector of the counterparty 1	CDTI	
7	Clearing threshold of counterparty 1	TRUE	
8	Counterparty 2 identifier type	TRUE	
9	Counterparty 2	ABCDEFGHIJKLMNOPQRST	
10	Country of the counterparty 2	FR	

Table 47 – Non cleared option between FCs			
No	**Field**	**Example**	**Xml message**
11	Nature of the counterparty 2	F	</RptOblgtn> </OthrCtrPty> <SubmitgAgt> <LEI> 12345678901234500000 </LEI> </SubmitgAgt> <NttyRspnsblForRpt> <LEI> 12345678901234500000 </LEI> </NttyRspnsblForRpt> </CtrPty> <RptgTmStmp> 2021-03-17T15:17:00Z </RptgTmStmp> </CtrPtySpcfcData>
12	Corporate sector of the counterparty 2	CDTI	
13	Clearing threshold of counterparty 2	TRUE	
14	Reporting obligation of the counterparty 2	TRUE	
15	Broker ID		
16	Clearing member	-	
17	Direction	BYER	
18	Direction of leg 1		
19	Direction of leg 2		
20	Directly linked to commercial activity or treasury financing	FALSE	

7.1.4 OTC Option between NFC - and FC

482. Table 48 illustrates reporting of OTC option where the counterparty 1 (counterparty C with LEI 123456789ABCDEFGHIJK) is a Non Financial Counterparty below the clearing

thresholds. The option is concluded with the counterparty 2 (counterparty A with LEI) which is an Italian Financial Counterparty above the clearing threshold. In this case the counterparty A is entity responsible for reporting and the report submitting entity in accordance with the mandatory delegation.

Table 48 – OTC between NFC- and FC			
No	**Field**	**Example**	**Xml message**
1	Reporting timestamp	2021-03-17T15:17:00Z	<CtrPtySpcfcData><CtrPty><RptgCtrPty><Id><LEI>123456789ABCDEFGHIJK</LEI></Id><Ntr><FI>K</FI><NFI><NFI>NORE</NFI><NFIIdr><ClrThrshld>FALSE</ClrThrshld></NFIIdr></NFI></Ntr><Drctn><CtrPtySd>BYER</CtrPtySd></Drctn></RptgCtrPty><OthrCtrPty><Ctry>IT</Ctry><IdTp><Lgl><LEI>12345678901234500000</LEI></Lgl></IdTp><Ntr><FI>CDTI</FI><NFI>
2	Report submitting entity ID	12345678901234500000	
3	Entity responsible for reporting	12345678901234500000	
4	Counterparty 1 (Reporting counterparty)	123456789ABCDEFGHIJK	
5	Nature of the counterparty 1	N	
6	Corporate sector of the counterparty 1	K	
7	Clearing threshold of counterparty 1	FALSE	
8	Counterparty 2 identifier type	TRUE	
9	Counterparty 2	12345678901234500000	
10	Country of the counterparty 2	IT	
11	Nature of the counterparty 2	F	
12	Corporate sector of the counterparty 2	CDTI	
13	Clearing threshold of counterparty 2	TRUE	
14	Reporting obligation of the counterparty 2	TRUE	
15	Broker ID		

Table 48 – OTC between NFC- and FC			
No	**Field**	**Example**	**Xml message**
16	Clearing member	-	<ClrThrshld> TRUE </ClrThrshld> <DrctlyLkdActvty> FALSE </DrctlyLkdActvty> </NFI> </Ntr> <RptOblgtn> TRUE </RptOblgtn> </OthrCtrPty> <SubmitgAgt> <LEI> 12345678901234500000 </LEI> </SubmitgAgt> <NttyRspnsblForRpt> <LEI> 12345678901234500000 </LEI> </NttyRspnsblForRpt> </CtrPty> <RptgTmStmp> 2021-03-17T15:17:00Z </RptgTmStmp> </CtrPtySpcfcData>
17	Direction	BYER	
18	Direction of leg 1		
19	Direction of leg 2		
20	Directly linked to commercial activity or treasury financing	FALSE	

Table 48 – OTC between NFC- and FC			
No	**Field**	**Example**	**Xml message**

7.1.5 OTC Option between NFC - and NFC +

483. Table 49 illustrates reporting of OTC option where the counterparty 1 (counterparty C with LEI 123456789ABCDEFGHIJK) is a Non Financial Counterparty below the clearing thresholds. The option is concluded with the counterparty 2 (counterparty D with LEI 11223344556677889900) which is an Italian Non-Financial Counterparty above the clearing threshold. Counterparty C is the entity responsible for reporting and the report submitting entity.

Table 49 – OTC between NFC- and NFC+			
No	**Field**	**Example**	**Xml message**
1	Reporting timestamp	2021-03- 17T15:17:00Z	<CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI> 123456789ABCDEFGHIJK </LEI> </Id> <Ntr> <FI>K</FI> <NFI> <NFIIdr> <NFI>NORE</NFI> <ClrThrshld> FALSE </ClrThrshld> </NFIIdr> </NFI> </Ntr> <Drctn> <CtrPtySd>BYER</CtrPtySd> </Drctn> </RptgCtrPty> <OthrCtrPty> <Ctry>IT</Ctry> <IdTp>
2	Report submitting entity ID	123456789ABCDEFGHIJK	
3	Entity responsible for reporting	123456789ABCDEFGHIJK	
4	Counterparty 1 (Reporting counterparty)	123456789ABCDEFGHIJK	
5	Nature of the counterparty 1	N	

Table 49 – OTC between NFC- and NFC+			
No	**Field**	**Example**	**Xml message**
6	Corporate sector of the counterparty 1	K	<Lgl><LEI>11223344556677889900</LEI></Lgl></IdTp><Ntr><FI>L</FI><NFI><NFI>NORE</NFI><ClrThrshld>TRUE</ClrThrshld><DrctlyLkdActvty>FALSE</DrctlyLkdActvty></NFI></Ntr><RptOblgtn>TRUE</RptOblgtn></OthrCtrPty><SubmitgAgt><LEI>123456789ABCDEFGHIJK</LEI></SubmitgAgt><NttyRspnsblForRpt><LEI>123456789ABCDEFGHIJK</LEI></NttyRspnsblForRpt></CtrPty><RptgTmStmp>2021-03-17T15:17:00Z</RptgTmStmp></CtrPtySpcfcData>
7	Clearing threshold of counterparty 1	FALSE	
8	Counterparty 2 identifier type	TRUE	
9	Counterparty 2	11223344556677889900	
10	Country of the counterparty 2	IT	
11	Nature of the counterparty 2	N	
12	Corporate sector of the counterparty 2	L	
13	Clearing threshold of counterparty 2	TRUE	
14	Reporting obligation of the counterparty 2	TRUE	
15	Broker ID		
16	Clearing member	-	

Table 49 – OTC between NFC- and NFC+			
No	**Field**	**Example**	**Xml message**
17	Direction	BYER	
18	Direction of leg 1		
19	Direction of leg 2		
20	Directly linked to commercial activity or treasury financing	FALSE	

7.1.6 OTC Contract type which requires the population of fields Direction of Leg 1 and Direction of Leg 2 between FCs

484. Table 50 illustrates reporting of an OTC Contract type which requires the population of fields Direction of Leg 1 and Direction of Leg 2 where the counterparty 1 (counterparty A with LEI 12345678901234500000) is a Financial Counterparty above the clearing thresholds. The contract is concluded with the counterparty 2 (counterparty B with LEI ABCDEFGHIJKLMNOPQRST) which is an Italian Financial Counterparty above the clearing threshold.

Table 50 - OTC Contract type which requires the population of fields Direction of Leg 1 and Direction of Leg 2 between FCs			
No	**Field**	**Example**	**Xml message**
1	Reporting timestamp	2021-03- 17T15:17:00Z	<CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI> 12345678901234500000 </LEI> </Id> <Ntr> <FI>CDTI</FI> <NFI> <ClrThrshld> TRUE </ClrThrshld> </NFI> </Ntr>
2	Report submitting entity ID	12345678901234500000	
3	Entity responsible for reporting	12345678901234500000	
4	Counterparty 1 (Reporting counterparty)	12345678901234500000	

Table 50 - OTC Contract type which requires the population of fields Direction of Leg 1 and Direction of Leg 2 between FCs			
No	**Field**	**Example**	**Xml message**
5	Nature of the counterparty 1	F	<Drctn><DrctnOfTheFrstLeg>MAKE</DrctnOfTheFrstLeg></Drctn></RptgCtrPty><OthrCtrPty><Ctry>IT</Ctry><IdTp><Lgl><LEI>ABCDEFGHIJKLMNOPQRST</LEI></Lgl></IdTp><Ntr><FI>CDTI</FI><NFI><ClrThrshld>TRUE</ClrThrshld><DrctlyLkdActvty>FALSE</DrctlyLkdActvty></NFI></Ntr><Drctn><DrctnOfTheScndLeg>TAKE</DrctnOfTheScndLeg></Drctn><RptOblgtn>TRUE</RptOblgtn></OthrCtrPty><SubmitgAgt><LEI>12345678901234500000</LEI></SubmitgAgt><NttyRspnsblForRpt><LEI>12345678901234500000</LEI></NttyRspnsblForRpt></CtrPty><RptgTmStmp>2021-03-17T15:17:00Z</RptgTmStmp></CtrPtySpcfcData>
6	Corporate sector of the counterparty 1	CDTI	
7	Clearing threshold of counterparty 1	TRUE	
8	Counterparty 2 identifier type	TRUE	
9	Counterparty 2	ABCDEFGHIJKLMNOPQRST	
10	Country of the counterparty 2	IT	
11	Nature of the counterparty 2	F	
12	Corporate sector of the counterparty 2	CDTI	
13	Clearing threshold of counterparty 2	TRUE	
14	Reporting obligation of the counterparty 2	TRUE	
15	Broker ID		
16	Clearing member		
17	Direction	-	
18	Direction of leg 1	MAKE	
19	Direction of leg 2	TAKE	
20	Directly linked to commercial activity or treasury financing	FALSE	

Table 50 - OTC Contract type which requires the population of fields Direction of Leg 1 and Direction of Leg 2 between FCs			
No	**Field**	**Example**	**Xml message**

Q78. Do you agree with the population of the counterparty data fields? Please detail the reasons for your response and indicate the table to which your comments refer.

Q79. Is there any other use case related to the population of counterparty data which requires clarifications or examples? Please detail which one and indicate which aspect requires clarification.

7.2 Table 2 Common data

485. Following the population of the counterparty data fields, the population of the common data fields for different use cases is included. The reporting in accordance with the ISO 20002 XML schemas is provided too. This will facilitate the population of fields by the counterparties.

486. Each of the subsections will include a short description of the reporting logic for the fields that are being discussed.

7.2.1 Reporting of action types at trade and position level

487. This subsection illustrates population of relevant fields to report lifecycle events.

7.2.1.1 New bilateral derivative at trade level that is not cleared

488. Table 51 illustrates the population of the reporting fields in case of a new derivative, which is not cleared. This is how the derivatives that are bilateral should be reported, at trade level.

Table 51 - New derivative at trade level that is not cleared

No	Field	Example	XML Message
2.1	UTI	UTI1	<New> <CmonTradData> <CtrPtySpcfcData> ... </CtrPtySpcfcData> <TxData> <UnqTxIdr> <UnqTxIdr> UTI1 </UnqTxIdr> </UnqTxIdr> <TradClr> <ClrSts> <NonClrd> <RptgCtrPty> ... </RptgCtrPty> </NonClrd> </ClrSts> </TradClr> </TxData> </CmonTradData> <Lvl>TCTN</Lvl> <DerivEvt> <DerivEvtTp> TRAD </DerivEvtTp> ... </DerivEvt> </New>
2.31	Cleared	N	
2.151	Action type	NEWT	
2.152	Event type	TRAD	
2.154	Level	TCTN	

7.2.1.2 New bilateral derivative at trade level that is cleared on the same day or after

489. Table 52, Table and Table illustrate the population of the reporting fields by a counterparty in case of a new derivative is concluded bilaterally and cleared afterwards on the same day or after. Counterparties should submit a derivative report with action type ‘Terminate’ and event type ‘Clearing’ to indicate the termination of the trade reported as uncleared. Afterwards the counterparty should submit a derivative report with action type ‘New’ and event type ‘Clearing’ to indicate that the derivative has been cleared. The

counterparty should provide ‘Prior UTI’ in this last report. The sequence of the submissions are illustrated by Table 52, Table andTable , respectively.

Table 52 - New bilateral derivative at trade level that is cleared on the same day or after			
No	**Field**	**Example**	**XML Message**
2.1	UTI	UTI1	<New> <CmonTradData> <CtrPtySpcfcData> ... </CtrPtySpcfcData> <TxData> <UnqTxIdr> <UnqTxIdr> UTI1 </UnqTxIdr> </UnqTxIdr> <TradClr> <ClrSts> <NonClrd> <RptgCtrPty> ... </RptgCtrPty> </NonClrd> </ClrSts> </TradClr> </TxData> </CmonTradData> <Lvl>TCTN</Lvl> <DerivEvt> <DerivEvtTp> TRAD </DerivEvtTp> ... </DerivEvt> </New>
2.31	Cleared	N	
2.151	Action type	NEWT	
2.152	Event type	TRAD	
2.154	Level	TCTN	

Table 53 - Termination of the bilateral derivative at trade level due to clearing on the same day or after			
No	**Field**	**Example**	**XML Message**
2.1	UTI	UTI1	<Termntn> <CmonTradData> <CtrPtySpcfcData> ... </CtrPtySpcfcData> <TxData>
2.151	Action type	TERM	
2.152	Event type	CLRG	

Table 53 - Termination of the bilateral derivative at trade level due to clearing on the same day or after			
No	**Field**	**Example**	**XML Message**
2.154	Level	TCTN	<UnqTxIdr> <UnqTxIdr> UTI1 </UnqTxIdr> </UnqTxIdr> </TxData> </CmonTradData> <Lvl>TCTN</Lvl> <DerivEvt> <DerivEvtTp> CLRG </DerivEvtTp> ... </DerivEvt> </Termntn>

Table 54 - New cleared derivative at trade level resulting from clearing of a bilateral derivative on the same day or after			
No	**Field**	**Example**	**XML Message**
2.1	UTI	UTI2	<Rpt> <New> <CmonTradData> <TxData> <UnqTxIdr> <UnqTxIdr> UTI2 </UnqTxIdr> </UnqTxIdr> <PrrUnqTxIdr> <UnqTxIdr> UTI1 </UnqTxIdr> </PrrUnqTxIdr> <TradClr> <ClrSts> <Clrd> ... </Clrd> </ClrSts> </TradClr> </TxData> </CmonTradData> <Lvl>TCTN</Lvl> <DerivEvt> <DerivEvtTp>
2.3	Prior UTI	UTI1	
2.31	Cleared	Y	
2.151	Action type	NEWT	
2.152	Event type	CLRG	
2.154	Level	TCTN	

Table 54 - New cleared derivative at trade level resulting from clearing of a bilateral derivative on the same day or after			
No	**Field**	**Example**	**XML Message**
			CLRG </DerivEvtTp> ... </DerivEvt> </New > </Rpt>

490. Note that Table 52 and Table 53 report is not expected if the trade is concluded on a trading venue and cleared by a CCP on the same day, only Table 54 report is expected in such case (without Prior UTI field). Furthermore, Table 54 illustrates the reporting in the case where a cleared derivative is not included immediately in a position (in which case it would be reported with action type POSC as clarified in the subsequent examples).

7.2.1.3 New derivative concluded on a trading venue and cleared on the same day, reported as position component

491. Table 55 and Table 56 illustrate the population of the reporting fields in case of a new derivative that is concluded on a trading venue or an organized trading platform and cleared by a central counterparty on the same day as well as included in a position on that same day. In particular, only the derivative in its cleared form should be reported. In the context of the examples for derivatives at position level, these are identified with Unique Trade Identifier (UTI) of the position, "PUTI1". Position UTI should also be reported in the field 'Subsequent position UTI' in the derivative at trade level that is included in the position so that the reports can be linked.

Table 55 - New derivative concluded on a trading venue and cleared by a CCP on the same day and reported with position component at trade level			
No	**Field**	**Example**	**XML Message**
2.1	UTI	UTI1	<Rpt> <PosCmpnt> <CmonTradData> <TxData> <UnqTxIdr> <UnqTxIdr> UTI1 </UnqTxIdr> <Prtry> ... </Prtry> </UnqTxIdr>
2.4	Subsequent position UTI	PUTI2	
2.31	Cleared	Y	
2.151	Action type	POSC	
2.152	Event type		

Table 55 - New derivative concluded on a trading venue and cleared by a CCP on the same day and reported with position component at trade level			
No	**Field**	**Example**	**XML Message**
2.154	Level	TCTN	<SubPosUnqTrdId> <SubPosUnqTrdId >PUTI2</SubPosUnqTrdId > </SubPosUnqTrdId> <TradClr> <ClrSts> <Clrd> ... </Clrd> </ClrSts> </TradClr> </TxData> <CmonTradData> <Lvl>TCTN</Lvl> </PosCmpnt> </Rpt>

Table 56 - New derivative reported at position level			
No	**Field**	**Example**	**XML Message**
2.1	UTI	PUTI2	<New> <CmonTradData> <CtrPtySpcfcData> ... </CtrPtySpcfcData> <TxData> <UnqTxIdr> <UnqTxIdr>PUTI2</UnqTxIdr> </UnqTxIdr> <TradClr> <ClrSts> <Clrd> ... </Clrd> </ClrSts> </TradClr> </TxData> </CmonTradData>
2.31	Cleared	Y	
2.151	Action type	NEWT[21]	
2.152	Event type	INCP	
2.154	Level	PSTN	

[21] In this example a new position is created. In the case where a cleared transaction is included in an existing position, it would be reported as modification of that position (with action type MODI) as in the example…

Table 56 - New derivative reported at position level			
No	**Field**	**Example**	**XML Message**
			<Lvl> PSTN</Lvl> <DerivEvt> <DerivEvtTp>INCP</DerivEvtTp> ... </DerivEvt> </New>

7.2.1.4 Modification of a derivative at position level due to inclusion of a new derivative into the position

492. This example illustrates how to report modification of a position when a new derivative at trade level is included in that position.

Table 57 - Modification of a derivative at position level			
No	**Field**	**Example**	**XML Message**
2.1	UTI	PUTI1	<Mod> <CmonTradData> <CtrPtySpcfcData> ... </CtrPtySpcfcData> <TxData> <UnqTxIdr> <UnqTxIdr> PUTI1 </UnqTxIdr> </UnqTxIdr> </TxData> </CmonTradData> <Lvl>PSTN</Lvl> <DerivEvt> <DerivEvtTp> INCP </DerivEvtTp> ... </DerivEvt> </Mod>
2.151	Action type	MODI	
2.152	Event type	INCP	
2.154	Level	PSTN	

7.2.1.5 Modification of a derivative at trade level

493. Table 58 illustrates the population of the reporting fields in case a previously reported derivative at trade level is modified following to the counterparties' agreement to amend certain terms of the derivative.

Table 58 - Modification of a derivative at trade level			
No	**Field**	**Example**	**XML Message**
2.1	UTI	UTI1	<Mod> <CmonTradData> <CtrPtySpcfcData> ... </CtrPtySpcfcData> <TxData> <UnqTxIdr> <UnqTxIdr> UTI1 </UnqTxIdr> </UnqTxIdr> </TxData> </CmonTradData> <Lvl>TCTN</Lvl> <DerivEvt> <DerivEvtTp> TRAD </DerivEvtTp> ... </DerivEvt> </Mod>
2.151	Action type	MODI	
2.152	Event type	TRAD	
2.154	Level	TCTN	

7.2.1.6 Correction of a derivative at trade level

494. Table 59 illustrates the population of the reporting fields when there is a correction of data fields that were submitted wrongly in a previous report of a derivative at trade level.

Table 59 - Correction of a derivative at trade level			
No	**Field**	**Example**	**XML Message**
2.1	UTI	UTI1	<Crrctn> <CmonTradData> <CtrPtySpcfcData> ... </CtrPtySpcfcData> <TxData> <UnqTxIdr> <UnqTxIdr> UTI1
2.151	Action type	CORR	
2.152	Event type		
2.154	Level	TCTN	

			</UnqTxIdr> </UnqTxIdr> </TxData> </CmonTradData> <Lvl>TCTN</Lvl> </Crrctn>

7.2.1.7 Valuation of a derivative at trade level

495. Table 60 illustrates the population of the reporting fields when the counterparty submits a daily valuation update for a previously reported derivative at trade level. Please note that the population of the valuation fields is shown in a separate example in section 7.2.2.3.

Table 60 - Valuation of a derivative at trade level

No	Field	Example	XML Message
2.1	UTI	UTI1	<ValtnUpd> <CmonTradData> <CtrPtySpcfcData> ... </CtrPtySpcfcData> <TxData> <UnqTxIdr> <UnqTxIdr> UTI1 </UnqTxIdr> </UnqTxIdr> </TxData> </CmonTradData> <Lvl>TCTN</Lvl> </ValtnUpd>
2.151	Action type	VALU	
2.152	Event type		
2.154	Level	TCTN	

7.2.1.8 Reporting of margin update for a derivative collateralized at trade level

496. Table 61 illustrates the population of the reporting fields when the counterparty submits a daily margin update for a previously reported derivative at trade level and than derivative is individually collateralized. Please note that the population of the margin fields is shown in separate examples in section 7.3.

Table 61 - Margin update for a trade-level derivative collateralized at trade level			
No	**Field**	**Example**	**XML Message**
3.8	Collateral portfolio indicator	FALSE	<Rpt> <MrgnUpd> <CtrPtySpcfcData> ... <Coll> <PrtflCd> <NoCd>NOAP</NoCd> </PrtflCd> </CtrPtySpcfcData> <CmonTradData> <TxData> <UnqTxIdr> <UnqTxIdr> UTI1 </UnqTxIdr> </UnqTxIdr> </TxData> </CmonTradData> </MrgnUpd> </Rpt>
3.9	Collateral portfolio code		
3.10	UTI	UTI1	
3.28	Action type	MARU	

7.2.1.9 Reporting of margin update for a derivative collateralized at portfolio level

497. Table 62 illustrates the population of the reporting fields when the counterparty submits a daily margin update for a previously reported derivative at trade level and than derivative is individually collateralized. Please note that the population of the margin fields is shown in separate examples in section 7.3.

Table 62 - Margin update for a trade-level derivative collateralized at portfolio level			
No	**Field**	**Example**	**XML Message**
3.8	Collateral portfolio indicator	TRUE	<Rpt> <MrgnUpd> <CtrPtySpcfcData> ... <Coll> <PrtflCd> <Prtfl> COLLPCODE1 </Prtfl> </PrtflCd> </Coll> </CtrPtySpcfcData>
3.9	Collateral portfolio code	COLLPCODE1	
3.10	UTI		
3.28	Action type	MARU	

Table 62 - Margin update for a trade-level derivative collateralized at portfolio level			
No	**Field**	**Example**	**XML Message**
			<CmonTradData> ... </CmonTradData> </MrgnUpd> </Rpt>

7.2.1.10 Correction of margin data at portfolio level

498. Table 63 illustrates the population of the reporting fields when there is a correction of margin data fields that were submitted wrongly in a previous report of collateral at portfolio level.

Table 63 - Correction of margin data at portfolio level			
No	**Field**	**Example**	**XML Message**
3.8	Collateral portfolio indicator	TRUE	<Rpt> <Crrctn> <CtrPtySpcfcData> ... <Coll> <PrtflCd> <Prtfl> COLLPCODE1 </Prtfl> </PrtflCd> </Coll> </CtrPtySpcfcData> <CmonTradData> ... </CmonTradData> </Crrctn> </Rpt>
3.9	Collateral portfolio code	COLLPCODE1	
3.10	UTI		
3.28	Action type	CORR	

7.2.1.11 Early termination of a derivative at trade level

499. Table 64 illustrates the population of reporting fields when a derivative at trade level is terminated prior to its maturity date following the counterparties' agreement to early terminate (rather than due to a specific event resulting in a termination of a derivative).

Table 64 - Early termination of a derivative at trade level			
No	**Field**	**Example**	**XML Message**
2.1	UTI	UTI1	<Rpt> <Termntn> <CmonTradData> <TxData> <UnqTxIdr> <UnqTxIdr> UTI1 </UnqTxIdr> </UnqTxIdr> </TxData> </CmonTradData> <Lvl>TCTN</Lvl> <DerivEvt> <DerivEvtTp> ETRM </DerivEvtTp> ... </DerivEvt> </Termntn > </Rpt>
2.151	Action type	TERM	
2.152	Event type	ETRM	
2.154	Level	TCTN	

7.2.1.12 Early termination of a derivative at position level

500. Table 65 illustrates the population of reporting fields when a derivative at position level is terminated prior to its maturity date following the counterparties' agreement to early terminate (rather than due to a specific event resulting in a termination of a derivative). This can occur for example when the position is netted to zero and the counterparties prefer to close the position rather than to continue report valuation on a daily basis.

Table 65 - Early termination of a derivative at position level			
No	**Field**	**Example**	**XML Message**
2.1	UTI	PUTI1	<Rpt> <Termntn> <CmonTradData> <TxData> <UnqTxIdr> <UnqTxIdr> PUTI1 </UnqTxIdr> </UnqTxIdr> </TxData> <CmonTradData> <Lvl>PSTN</Lvl>
2.151	Action type	TERM	
2.152	Event type	ETRM	
2.154	Level	PSTN	

Table 65 - Early termination of a derivative at position level			
No	**Field**	**Example**	**XML Message**
			<DerivEvt> <DerivEvtTp> ETRM </DerivEvtTp> ... </DerivEvt> </Termntn > </Rpt>

7.2.1.13 Erroring a derivative at trade level

501. Table 66 illustrates the population of reporting fields in case of a cancellation of a wrongly submitted entire report where the derivative never came into existence or was not subject to EMIR reporting requirements, but which was reported to a TR by mistake.

Table 66 - Erroring a derivative at trade level			
No	**Field**	**Example**	**XML Message**
2.1	UTI	UTI1	<Rpt> <Err> <CmonTradData> <TxData> <UnqTxIdr> <UnqTxIdr> UTI1 </UnqTxIdr> </UnqTxIdr> </TxData> </CmonTradData> <Lvl>TCTN</Lvl> </Err> </Rpt>
2.151	Action type	EROR	
2.152	Event type		
2.154	Level	TCTN	

7.2.1.14 Reviving a derivative at trade level

502. Table 67 illustrates the population of reporting fields in case where a derivative that was terminated or errored by mistake is revived.

Table 67 - Reviving a derivative at trade level			
No	**Field**	**Example**	**XML Message**
2.1	UTI	UTI1	<Revi> <Termntn> <CmonTradData> <TxData> <UnqTxIdr> <UnqTxIdr> UTI1 </UnqTxIdr> </UnqTxIdr> </TxData> <CmonTradData> <Lvl>TCTN</Lvl> </Termntn> </Revi>
2.151	Action type	REVI	
2.152	Event type		
2.154	Level	TCTN	

Q80. Do you agree with the approach to reporting action types? Please detail the reasons for your response and include a reference to the specific table.

7.2.2 Other reportable details

7.2.2.1 Reporting of cleared / non-cleared trade

Cleared trade in an open offer model

503. When a trade is cleared in an open offer model, the clearing takes place at same time as the conclusion of the trade. Hence, execution timestamp and clearing timestamp are expected to be the same.

504. Table below illustrates the population of the fields of the above-mentioned situation from the CCP (with LEI BBBBBBBBBB1111111111) and CPA (counterparty A) perspective, as in this case, it is identical.

505. The following group of reporting fields should be reported:

c. "Cleared" (–field 2.31) is populated with 'Y';

d. "Clearing timestamp" (–field 2.32) is equal to field "Execution timestamp (–2.42);

e. "Central counterparty" (–field 2.33) is populated with the LEI of the CCP.

Table 68 - Cleared trade in an open offer model			
Item	**Field**	**Example**	**XML Message**
31	Cleared	Y	<CmonTradData> <TxData> <TradClr> <FctvDt> 2021-03-17T15:17:00Z </FctvDt> <MstrAgrmt> <Tp> <Tp>OTHR</Tp> </Tp> <OthrMstrAgrmtDtls> CCPClearing Conditions </OthrMstrAgrmtDtls> </MstrAgrmt> <ClrSts> <Clrd> <CCP> BBBBBBBBBB1111111111 </CCP> <ClrDtTm> 2021-03-17T15:17:00Z </ClrDtTm> </Clrd> </ClrSts> </TradClr> </TxData> </CmonTradData>
32	Clearing timestamp	2021-03-17T15:17:00Z	
33	Central counterparty	BBBBBBBBBB1111111111	
34	Master Agreement type	OTHR	
35	Other master agreement type	CCPClearing Conditions	
43	Execution timestamp	2021-03-17T15:17:00Z	

Cleared trade in a novation model.

506. When a derivative is cleared in a novation model, the clearing takes place after the time of conclusion of the trade.

507. The table below illustrates the population of fields, from the CCP and the CP1 perspective, when a derivative is cleared by the CCP in a novation model.

508. In this respect, the following group of reporting fields should be reported:

a. "Prior UTI" (–Field 2. 3) should be reported with the prior UTI (that of the bilateral derivative in the case of CCP-cleared derivatives);

b. "Cleared" (–Field 2.31) is populated with 'Y';

c. "Clearing timestamp" (–Field 2.32) time is after the time provided in field "Execution timestamp (Field 2.42);

d. "Central counterparty" (Field 2.33) is populated with the LEI of the CCP.

Table 69 - Cleared derivative in a novation model

Item	Field	Example	XML Message
1	UTI	UTI2	<New> <CmonTradData> <TxData> <UnqTxIdr> <UnqTxIdr> UTI2 </UnqTxIdr> </UnqTxIdr> <PrrUnqTxIdr> <UnqTxIdr> UTI1 </UnqTxIdr> </PrrUnqTxIdr> <TradClr> <FctvDt> 2021-03-17T15:17:00Z </FctvDt> <MstrAgrmt> <Tp> <Tp>OTHR</Tp> </Tp> <OthrMstrAgrmtDtls> CCPClearing Conditions
3	Prior UTI	UTI1	
31	Cleared	Y	
32	Clearing timestamp	2021-03-18T18:00:00Z	
33	Central counterparty	BBBBBBBBBB1111111111	
34	Master Agreement type	OTHR	
35	Other master agreement type	CCPClearing Conditions	

Table 69 - Cleared derivative in a novation model			
Item	**Field**	**Example**	**XML Message**
43	Execution timestamp	2021-03- 17T15:17:00Z	</OthrMstrAgrmtDtls> </MstrAgrmt> <ClrSts> <Clrd> <CCP> BBBBBBBBBB1111111111 </CCP> <ClrDtTm> 2021-03-17T15:17:00Z </ClrDtTm> </Clrd> </ClrSts> </TradClr> </TxData> </CmonTradData> <DerivEvt> <DerivEvtTp> CLRG </DerivEvtTp> ... </DerivEvt> </New>
151	Action type	NEWT	
152	Event type	CLRG	

Table 70 - Termination of a previous derivative (alpha trade) in a novation model			
Item	**Field**	**Example**	**XML Message**
1	UTI	UTI1	<Rpt> <Termntn> <CmonTradData> <TxData> <UnqTxIdr> <UnqTxIdr> UTI1 </UnqTxIdr> </UnqTxIdr> <FctvDt> 2021-03-17T15:17:00Z </FctvDt> <TradClr> <ClrSts> <Clrd> <Rsn>NORE</Rsn> </Clrd> </ClrSts> </TradClr> </TxData> </CmonTradData> <DerivEvt> <DerivEvtTp> CLRG </DerivEvtTp> </DerivEvt> </Termntn> </Rpt>
31	Cleared	N	
45	Early termination date	2021-03- 18	
151	Action type	TERM	
152	Event type	CLRG	

Non-cleared trade

509. The field "Cleared" (–Field 2.31) is populated with 'N'. The rest of the fields related to clearing are not populated.

Table 71 - Non cleared trade			
No	**Field**	**Example**	**XML Message**
1	UTI	UTI1	<CmonTradData> <TxData> <UnqTxIdr> <UnqTxIdr> UTI1 </UnqTxIdr> </UnqTxIdr> <FctvDt> 2021-03-17T15:17:00Z </FctvDt> <TradClr> <ClrSts> <Clrd> <Rsn>NORE</Rsn> ... </Clrd> </ClrSts> </TradClr> </TxData> </CmonTradData>
2	Report tracking number		
31	Cleared	N	
32	Clearing timestamp		
33	Central counterparty		
43	Execution timestamp	2021-03-17T15:17:00Z	

7.2.2.2 Trading venue

510. The field "Venue of execution" (–Field 2.41) should be populated in accordance with the type of conclusion of the derivative.

511. The counterparties should use the ISO 10383 segment MIC for derivatives executed on a trading venue, Systematic Internaliser (SI) or organised trading platform outside of the Union. Where the segment MIC does not exist, they should use the operating MIC.

512. The counterparties should use the MIC code 'XOFF' for financial instruments admitted to trading, or traded on a trading venue or for which a request for admission was made, where the derivative on that financial instrument is not executed on a trading venue, SI of

organised trading platform outside of the Union, or where a counterparty does not know it is trading with a counterparty 2 acting as an SI.

513. The counterparties should use the MIC code 'XXXX' for financial instruments that are not admitted to trading or traded on a trading venue or for which no request for admission has been made and that are not traded on an organised trading platform outside of the Union.

a) Example of two SIs facing each other

514. Two counterparties, A and B, that are both SIs, trade with each other. In this case, each counterparty should report from its own perspective.

515. Counterparty A is identified with LEI 12345678901234500000 and MIC 1234.

516. Counterparty B is identified with LEI ABCDEFGHIJKLMNOPQRST and MIC ABCD.

Table 72 - Reporting of the trading venue from the counterparty A perspective

Item	Field	Example	XML Message
4	Counterparty 1	12345678901234500000	<CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI> 12345678901234500000 </LEI> </Id> </RptgCtrPty> <OthrCtrPty> <IdTp> <Lgl> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </Lgl> </IdTp> </OthrCtrPty> ... </CtrPty> </CtrPtySpcfcData> <CmonTradData> <TxData> ... <PltfmId>ABCD</PltfmId> </TxData> </CmonTradData>
9	Counterparty 2	ABCDEFGHIJKLMNOPQRST	
41	Venue of execution	ABCD	

Table 72 - Reporting of the trading venue from the counterparty A perspective			
Item	**Field**	**Example**	**XML Message**

Table 73 - Reporting of the trading venue from the counterparty B perspective			
Item	**Field**	**Example**	**XML Message**
4	Counterparty 1	ABCDEFGHIJKLMNOPQRST	<CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </Id> </RptgCtrPty> <OthrCtrPty> <IdTp> <Lgl> <LEI> 12345678901234500000 </LEI> </Lgl> </IdTp> </OthrCtrPty> ... </CtrPty> </CtrPtySpcfcData> <CmonTradData> <TxData> ... <PltfmId>1234</PltfmId> </TxData> </CmonTradData>
9	Counterparty 2	12345678901234500000	
41	Venue of execution	1234	

b) Example of post Brexit derivative executed on a UK regulated market

517. Derivatives executed on UK regulated markets before Brexit would be considered ETD.

518. On the other hand, derivatives executed on UK regulated markets after Brexit would be considered OTC. The reporting of the fieldVenue of execution would still be identified with the corresponding MIC code. However, it would have impacts on other fields like the field “Intragroup” and “Clearing obligation” which are required for OTC derivatives.

Table 74 - Derivative executed before Brexit

Item	Field	Example	XML Message
41	Venue of execution	XLON	<CmonTradData> <TxData> <PltfmId>XLON</PltfmId> <FctvDt> 2020-12-31T17:00:00Z </FctvDt> <TradClr> <ClrOblgtn></ClrOblgtn> <IntraGrp></IntraGrp> </TradClr> </TxData> </CmonTradData>
43	Execution timestamp	2020-12-31T17:00:00Z	
30	Clearing obligation		
37	Intragroup		

Table 75 - Derivative executed after Brexit

Item	Field	Example	XML Message
41	Venue of execution	XLON	<CmonTradData> <TxData>

Table 75 - Derivative executed after Brexit			
Item	**Field**	**Example**	**XML Message**
43	Execution timestamp	2021-01-04T15:00:00Z	<PltfmId>XLON</PltfmId> <FctvDt> 2020-12-31T17:00:00Z </FctvDt> <TradClr> <ClrOblgtn>FALSE</ClrOblgtn> <IntraGrp>FALSE</IntraGrp> </TradClr> </TxData> </CmonTradData>
30	Clearing obligation	FALSE	
37	Intragroup	FALSE	

7.2.2.3 Reporting of valuations

519. Table 76 illustrates the population of the valuation data when the counterparty submits a daily valuation update for a previously reported derivative at trade level.

520. In this example, the counterparty A (with LEI ABCDEFGHIJKLMNOPQRST) is buyer of a call option that is in-the-money and which has been valued on the preceding day at 221,100 EUR. Given that the derivative concerned is an option, the delta is computed and populated (0.6). Counterparty B (with LEI 12345678901234500000) is the seller.

Table 76 - Valuation of a derivative at trade level			
No	**Field**	**Example**	**XML Message**
1.1	Reporting timestamp	2023-05-16T19:15:05Z	<ValtnUpd> <CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI> ABCDEFGHIJKLMNOPQRST
1.2	Report submitting entity ID	ABCDEFGHIJKLMNOPQRST	

Table 76 - Valuation of a derivative at trade level			
No	**Field**	**Example**	**XML Message**
1.3	Entity responsible for reporting	ABCDEFGHIJKLMNOPQRST	
1.4	Counterparty 1 (Reporting counterparty)	ABCDEFGHIJKLMNOPQRST	
2.8	Counterparty 2 identifier type	TRUE	
2.9	Counterparty 2	12345678901234500000	
2.1	UTI	UTI1	
2.21	Valuation amount	221100	
2.22	Valuation currency	EUR	
2.23	Valuation timestamp	2023-05-15T18:00:00Z	
2.24	Valuation method	MTMA	
2.25	Delta	0.6	
2.151	Action type	VALU	
2.153	Event date	2023-05-15	
2.154	Level	TCTN	

```
          </LEI>
        </Id>
      </RptgCtrPty>
      <OthrCtrPty>
        <IdTp>
          <Lgl>
            <LEI>

12345678901234500000
            </LEI>
          </Lgl>
        </IdTp>
      </OthrCtrPty>
      <SubmitgAgt>
         <LEI>

ABCDEFGHIJKLMNOPQRST
         </LEI>
      </SubmitgAgt>
      <NttyRspnsblForRpt>
          <LEI>

ABCDEFGHIJKLMNOPQRST
          </LEI>
       </NttyRspnsblForRpt>
     </CtrPty>
     <Valtn>
      <CtrctVal>
        <Amt
Ccy="EUR">221100</Amt>
      </CtrctVal>
      <TmStmp>
      2023-05-15T18:00:00Z
      </TmStmp>
      <Tp>MTMA</Tp>
     </Valtn>
     <RptgTmStmp>
     2023-05-16T19:15:05Z
     </RptgTmStmp>
   </CtrPtySpcfcData>
   <CmonTradData>
     <TxData>
      <UnqTradIdr>

<UnqTradIdr>UTI1</UnqTradId
r>
      </UnqTradIdr>
      <Dlta>0.6</Dlta>
     </TxData>
   </CmonTradData>
   <Lvl>TCTN</Lvl>
```

Table 76 - Valuation of a derivative at trade level			
No	**Field**	**Example**	**XML Message**
			<DerivEvt> <EvtTmStmp> 2023-05-15 </EvtTmStmp> </DerivEvt> </ValtnUpd>

521. Table 77 illustrates the population of the valuation data for an IRS position when the position is netted to zero and the counterparties decide to maintain the position open (and thus submit the valuation daily).

Table 77 - Valuation of a derivative at position level			
No	**Field**	**Example**	**XML Message**
1.1	Reporting timestamp	2023-06-06T20:00:00Z	<ValtnUpd> <CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </Id> </RptgCtrPty> <OthrCtrPty> <IdTp> <Lgl> <LEI> 12345678901234500000 </LEI> </Lgl> </IdTp> </OthrCtrPty> <SubmitgAgt> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </SubmitgAgt> <NttyRspnsblForRpt> <LEI>
1.2	Report submitting entity ID	ABCDEFGHIJKLMNOPQRST	
1.3	Entity responsible for reporting	ABCDEFGHIJKLMNOPQRST	
1.4	Counterparty 1 (Reporting counterparty)	ABCDEFGHIJKLMNOPQRST	
2.8	Counterparty 2 identifier type	TRUE	
2.9	Counterparty 2	12345678901234500000	
2.1	UTI	PUTI1	
2.21	Valuation amount	0	

Table 77 - Valuation of a derivative at position level			
No	**Field**	**Example**	**XML Message**
2.22	Valuation currency	EUR	
2.23	Valuation timestamp	2023-06-05T19:00:00Z	
2.24	Valuation method	MTMA	
2.151	Action type	VALU	
2.153	Event date	2023-06-05	
2.154	Level	PSTN	

```
ABCDEFGHIJKLMNOPQRST
          </LEI>
       </NttyRspnsblForRpt>
     </CtrPty>
     <Valtn>
       <CtrctVal>
         <Amt
Ccy="EUR">0</Amt>
       </CtrctVal>
       <TmStmp>
       2023-06-05T19:00:00Z
       </TmStmp>
       <Tp>MTMA</Tp>
     </Valtn>
     <RptgTmStmp>
     2023-06-06T20:00:00Z
     </RptgTmStmp>
   </CtrPtySpcfcData>
   <CmonTradData>
     <TxData>
       <UnqTradIdr>
         <UnqTradIdr>
         PUTI1
         </UnqTradIdr>
       </UnqTradIdr>
       <Dlta>0.6</Dlta>
     </TxData>
   </CmonTradData>
   <Lvl>PSTN</Lvl>
    <DerivEvt>
      <EvtTmStmp>
      2023-06-05
       </EvtTmStmp>
   </DerivEvt>
</ValtnUpd>
```

7.2.2.4 Reporting of other payments

a) Reporting of upfront payment

522. Table 78 illustrates the population of the reporting fields when the counterparty A (with LEI ABCDEFGHIJKLMNOPQRST) which takes responsibility for the risk makes an initial payment to the counterparty B (with LEI 12345678901234500000) to cover any future defaults and submits a report at the trade level.

Table 78 - Reporting of upfront payment			
No	**Field**	**Example**	**XML Message**
1.1	Reporting timestamp	2021-03-06T18:20:05Z	<New> <CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </Id> </RptgCtrPty> <OthrCtrPty> <IdTp> <Lgl> <LEI> 12345678901234500000 </LEI> </Lgl> </IdTp> </OthrCtrPty> <SubmitgAgt> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </SubmitgAgt> <NttyRspnsblForRpt> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </NttyRspnsblForRpt> </CtrPty> <RptgTmStmp> 2021-03-06T18:20:05Z </RptgTmStmp> </CtrPtySpcfcData> <CmonTradData> <TxData> <UnqTradIdr> <UnqTradIdr> 123456 </UnqTradIdr> </UnqTradIdr> <OthrPmt> <PmtAmt> <Amt Ccy="EUR"> 100000 </Amt> </PmtAmt> <PmtTp> <Tp>UFRO</Tp> </PmtTp> <PmtDt>2021-03-
1.2	Report submitting entity ID	ABCDEFGHIJKLMNOPQRST	
1.3	Entity responsible for reporting	ABCDEFGHIJKLMNOPQRST	
1.4	Counterparty 1 (Reporting counterparty)	ABCDEFGHIJKLMNOPQRST	
1.9	Counterparty 2	12345678901234500000	
2.1	UTI	123456	
2.73	Other payment type	UFRO	
2.74	Other payment amount	100000	
2.75	Other payment currency	EUR	
2.76	Other payment date	2021-03-05	
2.77	Other payment payer	ABCDEFGHIJKLMNOPQRST	
2.78	Other payment receiver	12345678901234500000	
2.151	Action type	NEWT	

Table 78 - Reporting of upfront payment			
No	**Field**	**Example**	**XML Message**
2.152	Event type	TRAD	05</PmtDt> <PmtPyer> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </PmtPyer> <PmtRcvr> <LEI> 12345678901234500000 </LEI> </PmtRcvr> </OthrPmt> </TxData> </CmonTradData> <Lvl>PSTN</Lvl> <DerivEvt> <DerivEvtTp>TRAD</DerivEvtTp> </DerivEvt> </New>
2.154	Level	TCTN	

b) Reporting of unwind payment

523. Table 79 illustrates the population of the reporting fields when the same counterparty A unwinds the full termination payment and submits a report at the trade level.

Table 79 - Reporting of unwind payment			
No	**Field**	**Example**	**XML Message**
1.1	Reporting timestamp	2021-03-06T18:20:05Z	<Termntn> <CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </Id> </RptgCtrPty> <OthrCtrPty> <IdTp>
1.2	Report submitting entity ID	ABCDEFGHIJKLMNOPQRST	
1.3	Entity responsible for reporting	ABCDEFGHIJKLMNOPQRST	

Table 79 - Reporting of unwind payment			
No	**Field**	**Example**	**XML Message**
1.4	Counterparty 1 (Reporting counterparty)	ABCDEFGHIJKLMNOPQRST	<Lgl> <LEI> 12345678901234500000 </LEI> </Lgl> </IdTp> </OthrCtrPty> <SubmitgAgt> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </SubmitgAgt> <NttyRspnsblForRpt> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </NttyRspnsblForRpt> </CtrPty> <RptgTmStmp> 2021-03-06T18:20:05Z </RptgTmStmp> </CtrPtySpcfcData> <CmonTradData> <TxData> <UnqTradIdr> <UnqTradIdr> 456789 </UnqTradIdr> </UnqTradIdr> <XprtnDt> 2021-07-31 </XprtnDt> <EarlyTermntnDt> 2021-03-05 </EarlyTermntnDt> <OthrPmt> <PmtAmt> <Amt Ccy="EUR"> 70000 </Amt> </PmtAmt> <PmtTp> <Tp>UWIN</Tp> </PmtTp> <PmtDt> 2021-03-05
1.9	Counterparty 2	12345678901234500000	
2.1	UTI	456789	
2.44	Expiration date	2021-07-31	
2.45	Early termination date	2021-03-05	
2.73	Other payment type	UWIN	
2.74	Other payment amount	70000	
2.75	Other payment currency	EUR	
2.76	Other payment date	2021-03-05	
2.77	Other payment payer	ABCDEFGHIJKLMNOPQRST	
2.78	Other payment receiver	12345678901234500000	
2.151	Action type	TERM	
2.152	Event type	ETRM	
2.154	Level	TCTN	

Table 79 - Reporting of unwind payment			
No	**Field**	**Example**	**XML Message**
			</PmtDt> <PmtPyer> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </PmtPyer> <PmtRcvr> <LEI> 12345678901234500000 </LEI> </PmtRcvr> </OthrPmt> </TxData> </CmonTradData> <Lvl>PSTN</Lvl> <DerivEvt> <DerivEvtTp> ETRM </DerivEvtTp> </DerivEvt> </Termntn>

c) Reporting of principal exchange

524. Table 80 illustrates the population of the reporting fields when a principal exchange takes place, related to a cross-currency swap.

525. Example: Conterparties A and B agreed an OTC derivative contract, which specifies:

- an initial exchange of notional currency in each different currency and the terms of that repayment of notional currency over the life of the swap;
- an exchange of regular payments benchmarked against two interest rates, denominated in two different currencies.

526. The counterparty A will pay 5M EUR and counterparty B will pay 4.3M GBP, as initial principal exchange for each of them. Counterparties will exchange payments each 6 months for agreed float-to-float 3-year IRS

527. The re-exchange of the same notional of currencies will take place at the maturity date.

528. The below table illustrates the reporting of principal exchange payments from the perspective of the counterparty A. The counterparty report both the payments made and received, on the initial and final exchange date – given that all these payments are known at the time of reporting.

Table 80 - Reporting of notional exchanges from Counterparty A perspective			
No	**Field**	**Example**	**XML Message**
1.1	Reporting timestamp	2021-05-20T18:00:15Z	<Termntn> <CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </Id> <Drctn> <DrctnOfTheFrstLeg> MAKE </DrctnOfTheFrstLeg> <CtrPtySd> BYER </CtrPtySd> </Drctn> </RptgCtrPty> <OthrCtrPty> <IdTp> <Lgl> <LEI> 12345678901234500000 </LEI> </Lgl> </IdTp> <Drctn> <DrctnOfTheScndLeg> TAKE </DrctnOfTheScndLeg> </Drctn> </OthrCtrPty> <SubmitgAgt> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </SubmitgAgt> </CtrPty> <RptgTmStmp> 2021-05-20T18:00:15Z </RptgTmStmp> </CtrPtySpcfcData> <CmonTradData>
1.2	Report submitting entity ID	ABCDEFGHIJKLMNOPQRST	
1.4	Counterparty 1 (Reporting counterparty)	ABCDEFGHIJKLMNOPQRST	
1.9	Counterparty 2	12345678901234500000	
1.17	Direction	BYER	
1.18	Direction of leg 1	MAKE	
1.19	Direction of leg 2	TAKE	
2.1	UTI	AABB123456	
2.10	Contract type	SWAP	
2.42	Execution timestamp	2021-05-19T13:10:25Z	
2.43	Expiration date	2024-05-18	
2.55	Notional amount of leg 1	5000000	
2.56	Notional currency 1	EUR	
2.64	Notional amount of leg 2	4300000	

Table 80 - Reporting of notional exchanges from Counterparty A perspective			
No	**Field**	**Example**	**XML Message**
2.65	Notional currency of leg 2	GBP	<CtrctData> <CtrctTp>SWAP</CtrctTp> </CtrctData> <TxData> <UnqTradIdr> <UnqTradIdr> AABB123456 </UnqTradIdr> </UnqTradIdr> <NtnlAmt> <Amt Ccy="EUR">1000000</Amt> </NtnlAmt> <NtnlAmt> <Amt Ccy="GBP">865000</Amt> </NtnlAmt> <ExctnTmStmp> 2021-05-19T13:10:25Z </ExctnTmStmp> <XprtnDt>2024-05-18</XprtnDt> <OthrPmt> <PmtAmt> <Amt Ccy="EUR">5000000</Amt> </PmtAmt> <PmtTp> <Tp>PEXH</Tp> </PmtTp> <PmtDt>2021-05-20</PmtDt> <PmtPyer> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </PmtPyer> <PmtRcvr> <LEI> 12345678901234500000 </LEI> </PmtRcvr> </OthrPmt> <OthrPmt> <PmtAmt> <Amt Ccy="GBP">4300000</Amt> </PmtAmt>
2.73	Other payment type	PEXH	
2.74	Other payment amount	5000000	
2.75	Other payment currency	EUR	
2.76	Other payment date	2021-05-20	
2.77	Other payment payer	ABCDEFGHIJKLMNOPQRST	
2.78	Other payment receiver	12345678901234500000	

Table 80 - Reporting of notional exchanges from Counterparty A perspective			
No	**Field**	**Example**	**XML Message**
			<PmtTp> <Tp>PEXH</Tp> </PmtTp> <PmtDt>2021-05-20</PmtDt> <PmtPyer> <LEI> 12345678901234500000 </LEI> </PmtPyer> <PmtRcvr> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </PmtRcvr> </OthrPmt> <OthrPmt> <PmtAmt> <Amt Ccy="GBP">4300000</Amt> </PmtAmt> <PmtTp> <Tp>PEXH</Tp> </PmtTp> <PmtDt>2024-05-18</PmtDt> <PmtPyer> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </PmtPyer> <PmtRcvr> <LEI> 12345678901234500000 </LEI> </PmtRcvr> </OthrPmt> <OthrPmt> <PmtAmt> <Amt Ccy="EUR">5000000</Amt> </PmtAmt> <PmtTp> <Tp>PEXH</Tp> </PmtTp> <PmtDt>2024-05-18</PmtDt>

Table 80 - Reporting of notional exchanges from Counterparty A perspective			
No	**Field**	**Example**	**XML Message**
			<PmtPyer> <LEI> 12345678901234500000 </LEI> </PmtPyer> <PmtRcvr> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </PmtRcvr> </OthrPmt> </TxData> </CmonTradData> </Termntn>
2.73	Other payment type	PEXH	
2.74	Other payment amount	4300000	
2.75	Other payment currency	GBP	
2.76	Other payment date	2021-05-20	
2.77	Other payment payer	12345678901234500000	
2.78	Other payment receiver	ABCDEFGHIJKLMNOPQRST	
2.73	Other payment type	PEXH	

Table 80 - Reporting of notional exchanges from Counterparty A perspective			
No	**Field**	**Example**	**XML Message**
2.74	Other payment amount	4300000	
2.75	Other payment currency	GBP	
2.76	Other payment date	2024-05-18	
2.77	Other payment payer	ABCDEFGHIJKLMNOPQRST	
2.78	Other payment receiver	12345678901234500000	
2.73	Other payment type	PEXH	
2.74	Other payment amount	5000000	
2.75	Other payment currency	EUR	
2.76	Other payment date	2024-05-18	
2.77	Other payment payer	12345678901234500000	
2.78	Other payment receiver	ABCDEFGHIJKLMNOPQRST	

Q81. Are there any additional clarifications required with regard to the reporting of other payments?

7.3 Margin data

529. Counterparties should report all relevant types of collateral (initial margin, variation margin and excess collateral), providing both pre- and post-haircut values. Each type of collateral should be reported as a single figure, being the sum of the values of all assets posted/received expressed in a single currency.

530. In the scenario below, the reporting counterparty, Counterparty J (with LEI CCCCCCCCCCCCCCCCCCCC), which is also a clearing member, uses delegated reporting services provided by Counterparty D (with LEI 11223344556677889900). It reports the amount of 1,000,000 EUR posted as initial margin and the amount of 300,000 EUR as variation margin posted to CCP O (with LEI BBBBBBBBBB1111111111). The counterparty also reports excess collateral of 100,000 EUR.

Table 81 - Margin update at portfolio level for a cleared derivative

No	Field	Example	XML Message
3.1	Reporting timestamp	2023-07-19T18:05:45Z	<MrgnUpd> <CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI> CCCCCCCCCCCCCCCCCCCC </LEI> </Id> </RptgCtrPty> <OthrCtrPty> <IdTp> <Lgl> <LEI> BBBBBBBBBB1111111111 </LEI> </Lgl> </IdTp> </OthrCtrPty> <SubmitgAgt> <LEI> 11223344556677889900 </LEI> </SubmitgAgt> <NttyRspnsblForRpt> <LEI> CCCCCCCCCCCCCCCCCCCC
3.2	Report submitting entity ID	11223344556677889900	
3.3	Entity responsible for reporting	CCCCCCCCCCCCCCCCCCCC	
3.4	Counterparty 1 (Reporting counterparty)	CCCCCCCCCCCCCCCCCCCC	
3.5	Counterparty 2 identifier type	TRUE	
3.6	Counterparty 2	BBBBBBBBBB1111111111	
3.7	Collateral timestamp	2023-07-18T18:00:00Z	
3.8	Collateral portfolio indicator	TRUE	

Table 81 - Margin update at portfolio level for a cleared derivative			
No	**Field**	**Example**	**XML Message**
3.9	Collateral portfolio code	CODEPORTFOLIO123	</LEI> </NttyRspnsblForRpt> </CtrPty> <Coll> <CollTmStmp> 2023-07-18T18:00:00Z </CollTmStmp> <PrtflCd> <Prtfl> CODEPORTFOLIO123 </Prtfl> </PrtflCd> <Collstn>OWC1</Collstn> <InitlMrgnPstd> <PreHrcut Ccy="EUR"> 1000000 </PreHrcut> <PstHrcut Ccy="EUR"> 1000000 </PstHrcut> </InitlMrgnPstd> <VartnMrgnPstd> <PreHrcut Ccy="EUR"> 300000 </PreHrcut> <PstHrcut Ccy="EUR"> 300000 </PstHrcut> </VartnMrgnPstd> <XcssCollPstd Ccy="EUR"> 100000 </XcssCollPstd> </Coll> <RptgTmStmp>
3.10	UTI		
3.11	Collateralisation category	OWC1	
3.12	Initial margin posted by the counterparty 1 (pre-haircut)	1000000	
3.13	Initial margin posted by the counterparty 1 (post-haircut)	1000000	
3.14	Currency of the initial margin posted	EUR	
3.15	Variation margin posted by the counterparty 1 (pre-haircut)	300000	
3.16	Variation margin posted by the counterparty 1 (post-haircut)	300000	
3.17	Currency of the variation margins posted	EUR	
3.18	Excess collateral	100000	

Table 81 - Margin update at portfolio level for a cleared derivative			
No	**Field**	**Example**	**XML Message**
	posted by the counterparty 1		2023-07-19T18:05:45Z </RptgTmStmp> </CtrPtySpcfcData> <CmonTradData> ... </CmonTradData> <Lvl>PSTN</Lvl> <DerivEvt> ... <EvtTmStmp> 2023-07-18 </EvtTmStmp> </DerivEvt> </MrgnUpd>
3.19	Currency of the excess collateral posted	EUR	
3.20	Initial margin collected by the counterparty 1 (pre-haircut)		
3.21	Initial margin collected by the counterparty 1 (post-haircut)		
3.22	Currency of initial margin collected		
3.23	Variation margin collected by the counterparty 1 (pre-haircut)		
3.24	Variation margin collected by the counterparty 1 (post-haircut)		
3.25	Currency of variation margin collected		
3.26	Excess collateral		

Table 81 - Margin update at portfolio level for a cleared derivative			
No	**Field**	**Example**	**XML Message**
	collected by the counterparty 1		
3.27	Currency of excess collateral collected		
3.28	Action type	MARU	
3.29	Event date	2023-07-18	

531. In the next scenario, two counterparties exchange collateral for an uncleared derivative. Both counterparties post IM and VM according to the collateral agreement. Counterparty A (with LEI ABCDEFGHIJKLMNOPQRST)posted 800,000 EUR of IM in cash and 220,000 EUR in securities subject to 10% haircut. Counterparty B (with LEI 12345678901234500000)posted 1,000,000 EUR of IM in cash. Counterparty B would also be expected to post 100,000 EUR of VM based on the most recent valuation of the contract, however this amount is below the minimum transfer amount (MTA) agreed between the counterparties.

Table 82 - Margin update at an individual transaction level for an uncleared derivative			
No	**Field**	**Example**	**XML Message**
3.1	Reporting timestamp	2023-04-07T10:00:00Z	<MrgnUpd> <CtrPtySpcfcData> <CtrPty> <RptgCtrPty> <Id> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </Id> </RptgCtrPty> <OthrCtrPty> <IdTp>
3.2	Report submitting entity ID	ABCDEFGHIJKLMNOPQRST	
3.3	Entity responsible for reporting	ABCDEFGHIJKLMNOPQRST	

Table 82 - Margin update at an individual transaction level for an uncleared derivative			
No	**Field**	**Example**	**XML Message**
3.4	Counterparty 1 (Reporting counterparty)	ABCDEFGHIJKLMNOPQRST	<Lgl> <LEI> 12345678901234500000 </LEI> </Lgl> </IdTp> </OthrCtrPty> <SubmitgAgt> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </SubmitgAgt> <NttyRspnsblForRpt> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </NttyRspnsblForRpt> </CtrPty> <Coll> <CollTmStmp> 2023-04-06T20:30:00Z </CollTmStmp> <PrtflCd> <NoCd>NOAP</NoCd> </PrtflCd> <Collstn>FLCL</Collstn> <InitlMrgnPstd> <PreHrcut Ccy="EUR"> 1000020 </PreHrcut> <PstHrcut Ccy="EUR"> 1000000 </PstHrcut> </InitlMrgnPstd> <InitlMrgnRcvd> <PreHrcut Ccy="EUR"> 1000000
3.5	Counterparty 2 identifier type	TRUE	
3.6	Counterparty 2	12345678901234500000	
3.7	Collateral timestamp	2023-04-06T20:30:00Z	
3.8	Collateral portfolio indicator	FALSE	
3.9	Collateral portfolio code		
3.10	UTI	UTI1	
3.11	Collateralisation category	FLCL	
3.12	Initial margin posted by the counterparty 1 (pre-haircut)	1000020	
3.13	Initial margin posted by the counterparty 1 (post-haircut)	1000000	
3.14	Currency of the initial margin posted	EUR	
3.15	Variation margin posted by the		

Table 82 - Margin update at an individual transaction level for an uncleared derivative			
No	**Field**	**Example**	**XML Message**
	counterparty 1 (pre-haircut)		</PreHrcut> <PstHrcut Ccy="EUR"> 1000000 </PstHrcut> </InitlMrgnRcvd> <VartnMrgnRcvd> <PreHrcut Ccy="EUR"> 0 </PreHrcut> <PstHrcut Ccy="EUR"> 0 </PstHrcut> </VartnMrgnRcvd> </Coll> <RptgTmStmp> 2023-04-07T10:00:00Z </RptgTmStmp> </CtrPtySpcfcData> <CmonTradData> <TxData> <UnqTradIdr> <UnqTradIdr> UTI1 </UnqTradIdr> </UnqTradIdr> </TxData> </CmonTradData> <Lvl>PSTN</Lvl> <DerivEvt> ... <EvtTmStmp> 2023-04-06 </EvtTmStmp> </DerivEvt> </MrgnUpd>
3.16	Variation margin posted by the counterparty 1 (post-haircut)		
3.17	Currency of the variation margins posted		
3.18	Excess collateral posted by the counterparty 1		
3.19	Currency of the excess collateral posted		
3.20	Initial margin collected by the counterparty 1 (pre-haircut)	1000000	
3.21	Initial margin collected by the counterparty 1 (post-haircut)	1000000	
3.22	Currency of initial margin collected	EUR	
3.23	Variation margin collected by the	0	

Table 82 - Margin update at an individual transaction level for an uncleared derivative			
No	**Field**	**Example**	**XML Message**
	counterparty 1 (pre-haircut)		
3.24	Variation margin collected by the counterparty 1 (post-haircut)	0	
3.25	Currency of variation margin collected	EUR	
3.26	Excess collateral collected by the counterparty 1		
3.27	Currency of excess collateral collected		
3.28	Action type	MARU	
3.29	Event date	2023-04-06	

Q82. Do you agree with the approach to reporting margin data? Please detail the reasons for your response and include a reference to the specific table.

8 Guidelines on derivatives data management

8.1 Trade State Report

8.1.1 Introduction

532. The correct preparation of the Trade State Report (TSR) by TRs is essential to ensure the achievement of one of the main objectives of EMIR – the monitoring of systemic risks to financial stability.

533. TRs should include the most up-to-date information relating to outstanding dervatives in the TSR in order to allow the authorities to have a direct and immediate access to the most granular information on existing risk exposures between counterparties. TRs should also allow each individual counterparty to have a clear understanding of its own exposures vis-à-vis each market participant with which it has an open derivative.

534. The requirements for TRs to produce TSR are included in Article 2 and 5 of the RTS on data access, as amended by the draft RTS on data access and Article 4 of the draft RTS on data quality.

535. In sections 5.6.2 and 5.6.3, ESMA provides clarifications on the sequences of aplicable action types and event types and on the allowable combinations between those. Furthermore, in section 5.9 ESMA includes guidance with regards to the timeliness of reporting of the conclusion, modification and termination of a derivative.

536. A reference to outstanding derivatives is included in Article 2(2) of the draft ITS on reporting.

537. TRs should use the information reported by counterparties, ERRs and RSEs to prepare the TSR. The only instance where the TRs are allowed to update the most current TSR without an action by the aforementioned entities is detailed in section 8.1.7.

8.1.2 Treatment of event date

538. As indicated in section 5.9 there are two alternative approaches to construct the TSR from the perspective of the field “Event date”. Alternative A would entail sequential chronological order derived from the interaction between field “Reporting timestamp” and field ”Event date”, whereas alternative B would entail chronological order obtained solely from the field “Event date”.

539. Alternative A: TRs take into account the events that took place on the same day or the day before for the purpose of constructing the TSR and they update the TSR based on the chronological order of submission from these two days. There is a Need to restamp the latest state. This approach has been implemented under SFTR.

540. The advantages of this approach are:

a. It removes part of the complexity of treatment by the TRs of late reports,

b. It keeps the obligation for correct and timely reporting at the level of the counterparties and the entities responsible for reporting,

c. It is consistent with SFTR logic hence easier to be implemented by TRs and counterparties.

541. The disadvantages of this approach are:

a. it requires counterparties to introduce workarounds to account for specific scenarios, e.g. when counterparties report late and no other event took place in the meantime,

b. they need to 'restamp' a record and send an additional report[22],

c. increases the number of data submissions,

d. it does not allow for correction of wrongly reported information over a period of time in the past, thus hampering time series analysis,

e. TRs should be able to track national holidays to identify precisely a 'past' event date (i.e. date earlier that previous working day).

542. Alternative B: TRs take into account the events based on the logical sorder derived from the 'Event date' and the "Action type" and "Event type" fields. TRs should update the TSR based on the latest information for a given derivative as derived from the "Event date".

543. Where for a given "Event date" there are several events that affect the data reported for a given derivative, they should all be included in the latest report for that "Event date" and the given action type. TRs should therefore consider the field "Reporting timestamp" only with regards to the "Event date".

544. The advantages of this approach are:

a. Simplifies data reporting logic for counterparties.

b. Streamlines data submissions, as it requires the reporting only of the relevant information for the action type.

c. Reduces the number of reports to be processed by the counterparties, TRs and authorities.

d. Reduces the number of reports to be stored by the counterparties, TRs and authorities.

e. Makes efficient use of existing data elements.

545. The disadvantages of this approach are:

a. Makes the treatment of reports more complex for TRs;

b. It is unknown by counterparties and TRs and not consistent with SFTR one.

c. Moves the burden on keeping chronological order to the TR.

d. Specifically under Alternative B, it is essential to clarify the relevant scope of the derivatives for which the trade state should be updated historically. ESMA expects that TRs should update the state in the past for all outstanding derivatives, whereas for non-outstanding derivatives TRs should be in a position to update their state for up to ten years following their maturity or termination. This limit is related to the requirement under Article 80(3) of EMIR for TRs to keep records of derivatives for at least ten years following their maturity or termination.

Q83. Which of the two approaches provide greater benefits for data reporting and data record-keeping? Please elaborate on the reasons for your response.

[22] https://www.esma.europa.eu/sites/default/files/library/esma74-362-893_qas_on_sftr_data_reporting.pdf , SFTR Q&A 7

Q84. In case Approach B is followed, should the TRs update the TSR when counterparties have reported lately the details of derivatives? If so, do you agree with the time limit ten years for such an update? Please elaborate on the reasons for your response.

8.1.3 Uniqueness of derivatives and special fields

546. The uniqueness of a derivative until the application the draft RTS on reporting is ensured at the level of the combination of LEI1-LEI2-UTI. It should be noted that TRs use this unique combination to incorporate any modification or the termination to the derivative.

547. From the date of application of the revised technical standards on reporting under EMIR the uniqueness of derivatives concluded after that date should be ensured at the level of the UTI, i.e. there should not be two same UTIs, no matter the combination of counterparties. From that dateonwards, TRs should therefore use:

a. the triplet (LEI1-LEI2-UTI) to update the state of the derivatives concluded prior to the application date of the draft RTS on reporting

b. the UTI to update the state of derivatives concluded after the application date of the draft RTS on reporting

548. In any case, counterparties and TRs should be reminded the requirement included in Article 8 of the draft ITS on reporting as the only way for reporting counterparties and ERRs to update the two LEIs.

549. Counterparties should not amend fields “Reporting timestamp” and “Action type” of previous submissions and TRs should not accept any such submissions. This should not be understood though as impossibility to submit different reporting timestamps.

Q85. Are there any fields that should be taken into account in a special way not allow change in values?

8.1.4 Treatment of action type "Revive".

550. In case during the thirty days after a derivative became non-outstanding, the counterparty or the ERR submits a report with action type “Revive”, the TR should process the report and based on the information included in it regarding “Event date” and “Expiration date” or “Early termination date”, assess whether to reinclude it in the TSR or simply update its own records relating to that derivative (linked to the Alternative on treatment of “event date” included in section 8.1.2). The reporting counterparty or the ERRs should provide complete information regarding the expiration date and the early termination date of a derivative. The provided information should follow the logical timeline sequence included in the validation rules. “Event date” and “Early termination date” therefore should not be in the future.

551. Where the “Expiration date” in the derivative report is in the future or it is not populated, the TR should include the derivative in the TSR with all the values that have been included in the submission with action type “Revive”.

552. Where the “Expiration date” or the “Early termination date” are both in the past, the TR should update its own records, but not the TSR. (linked to the Alternative on treatment of event date included in section 8.1.2).

553. Where the “Expiration date” is in the future, but the “Early termination date” is in the past, the TR should update its own records, but not the TSR. (linked to the Alternative on treatment of event date).

554. The below table summarises the relevant instances.

Table 83 - Interaction between TSR and reports with action type “Revive”

Event date	Expiration date	Early termination date	Impact to the TSR
Earlier than reporting date	Earlier than reporting date	Earlier than reporting date	No impact
Earlier than reporting date	Equal to reporting date	Empty	Update
Earlier than reporting date	Equal to reporting date	Earlier than reporting date	No impact
Earlier than reporting date	Later than reporting date	Empty	Update
Earlier than reporting date	Later than reporting date	Earlier than expiration date, but later than reporting date	Rejected
Earlier than reporting date	Later than reporting date	Earlier than expiration date, but later than event date	No impact
Earlier than reporting date	Later than reporting date	Later than expiration date	Rejected
Equal to reporting date	Earlier than reporting date	Earlier than reporting date	No impact
Equal to reporting date	Equal to reporting date	Empty	Update
Equal to reporting date	Equal to reporting date	Earlier than reporting date	No impact

Table 83 - Interaction between TSR and reports with action type “Revive”			
Event date	**Expiration date**	**Early termination date**	**Impact to the TSR**
Equal to reporting date	Later than reporting date	Empty	Update
Equal to reporting date	Later than reporting date	Earlier than expiration date, but later than reporting date	Rejected
Equal to reporting date	Later than reporting date	Earlier than expiration date, but later than event date	Rejected
Equal to reporting date	Later than reporting date	Later than expiration date	Rejected
Later than reporting date	Any	Any	Rejected

Q86. Is the guidance on treatment of action type “Revive” clear? What additional aspects should be considered? Please detail the reason for our answer.

8.1.5 Reporting with action type ”EROR”

555. Where a counterparty sends a “EROR” report for its side of the derivative, the TR that has received such report should remove the derivative reported by that counterparty from the TSR. The TR should do so even when the other counterparty reports to the same TR and has not made the same report.

556. The TR should only restore the derivative to the TSR where a report with action type “Revive” has been received and it is compliant with the validation rules and the logical rules included in table under paragraph 554.

Q87. Should the TR remove after 30 calendar days the other side of a derivative for which only one counterparty has reported “Error” and no action type ”Revive”? Please detail the reasons for your answer.

8.1.6 Inclusion in the TSR of notional schedules and other payments

557. The draft RTS and the draft ITS on reporting detail the requirements for reporting of notional schedules and other payments.

558. There are two alternatives considered with regards to the provision of this information in the TSR.

559. Alternative A would entail the regular update of the TSR based on the schedule reported. This will reduce the amount of data provided to authorities and would facilitate the immediate assessment of exposures.

560. Alternative B would entail the provision of the full schedule in the TSR on a daily basis. While this would provide the highest level of transparency, it would also require authorities to set-up somehow complex porcesses to assess the current exposure, as they would need to process and remove unnecessary information for non-current data.

561. The most up-to-date linking IDs (see section 5.6.4) should be included in the TSR.

Q88. Which alternative relating to the provision of the notional schedules and other payments data would be more beneficial? Which of the two alternatives has higher costs? Please detail the reasons for your answer.

8.1.7 Dead derivatives

562. Where a counterparty ceases to exist, without being acquired or merged, no derivatives should remain outstanding at the trade repository.

563. If the reporting counterparty reports directly to the TR, and notifies the TR in order to cancel its membership, the TR should liaise with the reporting counterparty to terminate the relevant derivatives, while it is still active, by submitting reports with action types “Terminate” where the termination date is at the latest the date of the dissolution of the reporting counterparty.

564. If the reporting counterparty does not report directly to the TR, and the ERR or RSE notifies the TR, the TR should liaise with that entity to terminate the relevant derivatives, while the reporting counterparty is still active, by submitting reports with action types “ETRM” where the termination date is at the latest the date of the dissolution of the reporting counterparty.

565. Where the reporting counterparty has ceased to exist and has not terminated the outstanding derivatives and the TR becomes aware of this situation, the following waterfall should be followed:

a. If the ERR is different from the reporting counterparty and that ERR has not used RSE, the TR should contact the ERR, should request the submission of reports with action types “ETRM” where the termination date is at the latest the date of the dissolution of the reporting counterparty and, simultaneously, should raise the issue to the NCA of the reporting counterparty. If the reporting counterparty or the ERR has used a RSE and that entity is still an active RSE at the TR, the TR should contact the RSE, should request the submission of reports with action types “ETRM” where the termination date is at the latest the date of the dissolution of the reporting counterparty and, simultaneously, should raise the issue to the NCA of the reporting counterparty;

b. if the previous step is not applicable, the TR should assess the maturity date of the outstanding derivatives that should be terminated to assess whether they would naturally expire in the following twelve months. If that is the case, no further action should be undertaken by the TR;

c. if the second step is not applicable, the TR should contact the other counterparty/ies to the outstanding derivatives, where those entities report directly to the TR, and request them to terminate the outstanding derivatives on behalf of the reporting counterparty while, if possible, raise the issue to the NCA(s) to follow-up with the other counterparty/ies;

d. finally, in case none of the above is applicable, the TR, upon confirming with the NCA and notifying ESMA, should flag the relevant derivatives accordingly and not take them into consideration for the purposes of TSR or any subsequent aggregations.

566. In the case of derivatives that have remained outstanding at the date of application of the new reporting requirements, the process referred to in paragraph 565, should be performed at the earliest opportunity and no later than the end of the transition period.

Q89. Do you agree with the described process of update of the TSR? What other aspects should be taken into account? Please elaborate on the reasons for your answer.

8.2 Reconciliation

8.2.1 Scope of data subject to reconciliation

567. TRs should ensure consistent determination of the scope of data subject to reconciliation. TRs therefore should only include in the reconciliation process derivatives, both at trade and at position level, where all the below conditions are fulfilled:

a. Counterparty 1 has reporting obligation, i.e. it is a counterparty established in the EU or an AIF, whose AIFM is established in the EU, based on the GLEIF.

b. Counterparty 2 has reporting obligation as indicated if established in the EU or an AIF, whose AIFM is established in the EU, based on the GLEIF or the Field 1.14 is populated with TRUE.

c. The derivative has not been subject to a report with action type EROR, unless it has been followed by a report with action type REVI in the subsequent thirty calendar days.

d. The derivative is outstanding or it has been outstanding in the last thirty calendar days, as referred to in Article 2(2)(a) and 2(2)(b) of the draft ITS on reporting.

568. It is worth recalling that TRs should reconcile the data in line with the relevant reconciliation tolerance, as well as the relevant start date as included in Table 2 of the Annex to the RTS on data quality.

Q90. Should only the Field 1.14 be used for determining the eligibility of derivative for reconciliation? Please detail the reasons for your response.

Q91. Is there any additional aspect that should be clarified with regards to the derivatives subject to reconciliation? Please detail the reasons for your response.

8.2.2 Position-level vs trade-level reconciliation

569. One of the main issues linked to the reconciliation of derivatives relates to the possibility for counterparties to report with a different time schedule the lifecycle events relating to the derivative. This is the case for all derivatives, but the impact is exacerbated in the case of position-level ones. For position level reporting, please refer to section 5.7.

570. For derivatives reported at trade level, TRs should use the latest values for each field subject to reconciliation as determined in accordance with section 8.1.

571. For derivatives reported at position level, TRs should strive to reconcile the derivatives for the latest event date applicable to both counterparties. TRs should avoid including the latest trade state, unless they have a reasonable degree of certainty that both side of the derivative are reported in a consistent way and in accordance with the same timeline by both counterparties, or by the entities reporting on their behalf.

572. TRs therefore should reconcile the positions' latest state as determined by the latest applicable event date, which should be the latest working day which is two working days before the date on which the reconciliation takes place. For instance, in case the reconcilaition takes place on Wednesday, the TRs should include the derivatives reported at position level whose Event date is Monday or earlier. In case the reconcilaition takes place on Monday, the TRs should include the derivatives reported at position level whose Event date is Thursday or earlier. This clarification is not relevant for derivatives that are not outstanding.

573. A potential drawback of this approach would be a decoupling between the information in TSR and the one in the reconciliation reports.

Q92. From reconciliation perspective do you agree with the proposed differentiated approach for the latest state of derivatives subject to reconciliation depending on the level at which they are reported? What are the costs of having such a differentiation? Should the timeline for reconciliation of derivatives at trade level be aligned with the one for positions? Please detail the reasons for your response.

Q93. From data use perspective, should the information in the TSR and in the reconciliation report be different? Please detail the reasons for your response.

8.2.3 Reconciliation of valuation

574. Under the draft RTS on data quality, ESMA also introduced the reconciliation of the information on valuation of derivatives. Under the existing reporting requirements, valuation data is reported as part of the counterparty specific data. The relevant fields are 2.21, 2.22, 2.24 and 2.25.

575. Mindful of the need to adjust the reporting systems, ESMA has included a delayed start of the reconciliation of the data on valuation by two years. To be considered reconciled the valuation data should be expressed in the same currency as indicated in the RTS on data quality.

576. The reconciliation of valuation from trade-level or position-level perspective should follow the guidance provided in section 8.2.2.

577. When one of the counterparties to the derivative is an NFC-, that entity is not required to report valuation data. ESMA understands that this would not allow for the performance of the reconcilation process of the valuation data, as one of the data sets would be missing.

578. Alternative A: the TRs should reconcile all the derivatives for which valuation data has been reported in the last 14 calendar days.

579. Alternative B: TRs should include all the data in the reconcilaition process and flag the derivatives where one of the counterparties have not reported valuation, irrespective of the reason, as not reconciled.

580. Finally, please refer to section 8.3.3 on the interplay of the reconcilation of valuation status with the reconcilation status of the derivative.

Q94. Which alternative do you prefer? What are the costs for your organisation of each alternative? Please elaborate on the reasons for your response.

8.2.4 Derivatives with two legs

581. TRs should reconcile derivatives with two legs by reconciling each of the legs as reported by the counterparties. It is worth noting that in the case of most types of derivatives with two legs such as interest-rate swaps, cross-currency swaps and FX swaps, the order of the legs cannot be unequivocally defined, as there is no specific prevalence of one leg over the other.

582. Alternative A: Counterparties should agree on the reporting of the respective legs of the derivative. When counterparties report inconsistently the two legs of the derivative, the TR might not succeed in matching the details of the derivative. This will put the burden on the counterparties as it would require them for the successful reconciliation to agree on a sequence for the reporting of the different legs. This will be consistent with the current framework.

583. Alternative B: When counterparties report inconsistently the two legs of the derivative, the TR should intend matching the two legs irrespective of the sequence, taking into account the values reported by the two counterparties under field “direction of leg 1” by matching the legs with opposite values. In case Counterparty 1 has reported it with “payer”

the TR should reconcile it with the leg that is identified as “receiver” or is the leg that is not identified, when leg one is identified with “payer” This would move the burden to the TRs, but it would also limit the existence of reconciliation breaks, as well as it would facilitate their resolution.

Q95. Which alternative do you prefer? What are the costs for your organisation of each alternative? Please elaborate on the reasons for your response.

8.2.5 Reconciliation of notional schedules and other payments

584. With regards to the inclusion of notional schedules and other payments, ESMA proposes to align this approach with the one taken under section **Error! Reference source not found.**. ESMA believes that this alignment should ensure consistent application of the requirements. Therefore the TRs should reconcile the data on notional schedules and other payments that is included in the TSR as of the date on which the reconciliation takes place.

Q96. Do you agree with the proposed approach for reconciliation of notional schedules? Please elaborate on the reasons for your response.

8.2.6 Derivatives between two Systematic internalisers

585. In general, when reconciling data on the venue of execution, TRs should aim at reconciling the same MICs. However, there is one exception – where the derivatives are been concluded between two entities which are also systematic internalisers (see paragraph 310). In that case, when performing the reconciliation of these derivatives, the TRs should not consider the different MIC reported in the case of derivatives between two SIs as a reconciliation break.

Q97. Do you agree with the proposed approach for reconciliation of venues and the clarification in case of SIs? Please elaborate on the reasons for your response.

8.3 Data Quality feedback

8.3.1 Rejection feedback

586. Article 1(1) of the draft RTS on data quality requires the TRsto verify the data they receive from the report submitting entities upon their reception. In accordance wtih Article 1(3) of the draft RTS on data quality TRs shall provide the RSEs with detailed information on the results of the data verification. This immediate rejection feedback shall be provided to the relevant RSE within 60 minutes from the reception of the data.

587. Apart from the provision of immediate rejection response to the RSE, the TR can provide this feedback also to the reporting counterparties and entities responsible for reporting if those have access to the TR and they express interest to receive the immediate rejection response.

588. Article 1(1) of the draft RTS on data quality provides a list of specific verification checks which should be executed by the TRs. Authentication according to Article 1(1)(a) should be performed upfront, therefore no specific rejection feedback should be provided with respect to this first verification step. The remaining verification checks should be performed at the point of submission and result in rejection feedback in accordance with the following rejection categories:

    a. Schema validation of a submission as per Article 1(1)(b);
    b. Authorization / permission of a report submitting entity as per Article 1(1)(c);
    c. Logical validation of a submission as per Articles 1(1)(d) to 1(1)(k);
    d. Business rules or content validation of a submission as per Article 1(1)(l), as clarified by these Guidelines.

589. Under Article 1(2) of the aforementioned RTS a TR shall "reject a derivative report that does not comply with one of the requirements set out in paragraph 1 and assign to it one of the rejection categories" mentioned above.

590. To implement these verification checks TRs should apply validation rules to ensure that reporting is performed according to the EMIR regime, including the specifications of the draft technical standards, as clarified by these Guidelines. Accordingly, reporting counterparties or submitting entities should comply with the reporting requirements specified by the validation rules which are published together with this consultation paper on ESMA's website.

591. To keep the technical aspects of the data quality requirements relevant and correctly applied, ESMA updates the validation rules when necessary or appropriate. When the validation rules are updated, ESMA specifies the effective day of application of the updated validation rules and the TRs should ensure that they implement the changes in the specified timeframe and start performing the verification checks with the updated validation rules on the designated date of application.

592. Similarly the reporting counterparties, ERR or RSE entities as applicable should update their reporting systems so that the submitted reports are compliant with the new validation rules on the designated date of application.

593. The validation rules contain a specific error code for each of the validation rules and the TRs should use these error codes to specify the rejection reason when communicating rejections to the relevant parties. When a derivative is rejected, the rejection response should contain all the error codes of the validation rules that the submitted derivative report failed. Therefore, the information on the error codes should be provided on a derivative level, where derivative is defined by a unique identifier in field 2.1 UTI.

594. If the submitted report is correct and compliant with all the reporting requirements, and with the technical specifications in the validation rules, the feedback should indicate that the derivative report was accepted.

595. The TR should verify compliance of the file with the XML schema (syntax of the whole file and specific derivative reports). If the file is not compliant, the whole file (all derivatives included in the file) is rejected, and the reason will be that the file is "corrupted". In the

statistics this should be reported as 1 file rejection even if the file contradicts the XML schema in multiple instances.

596. If, however, the file is compliant with the XML schema and contains e.g. 3 derivatives, but all the derivatives fail validations, the statistics show the file as accepted with 3 rejected and 0 accepted derivatives.

597. Following the receipt of an immediate rejection response, to ensure their complaince with the reporting obligation under Article 9 EMIR, the reporting counterparties or ERR should, either directly or through a RSE, submit correct and complete reports by the reporting timeline.

598. Further to the immediate rejection feedback, Article 4(1)(c) of the draft RTS on data quality requires the TRs to make available to the reporting counterparties, RSEs, ERRs and third parties which have been granted an access to EMIR data under Article 78(7) of EMIR end-of-day reports of derivatives that have been rejected during that day. This report shall be made accessible by 6:00 UTC on the following working day.

599. Regarding the deadlines for provision of (immediate and end-of-day) rejection response under special circumstances, such as scheduled or non-scheduled maintenance, the TRs should proceed analogously to the existing guidance on operational aspects on data access, as detailed in section 8.4.1.

8.3.1.1 Immediate rejection feedback

600. Immediate rejection response shall according to Article 1 (3) of the draft RTS on data quality be provided by the TRs in the standardized response messages compliant with ISO 20022 format, specifically the XSD schema .. it should contain the following information:

Table 84 - Immediate rejection feedback

No.	Field	Details to be reported	XML Message
1	File identification	Textual value	<TxRptStsAndRsn> <MsgRptId>123456789</MsgRptId> <RptSts>...</RptSts> <TxSts> <DtldSttstcs> <TtlNbOfTxs>10</TtlNbOfTxs> <TtlNbOfTxsAccptd>9</TtlNbOfTxsAccptd> <TtlNbOfTxsRjctd>1</TtlNbOfTxsRjctd> <TxsRjctnsRsn> <TxId> <Tx> <RptgCtrPty> <LEI> 12345678901234500000 </LEI>
2	Rejection reason	Error code	
3	Rejection description	Error description	
4	Number of derivatives received	Numeric values	
5	Number of derivatives accepted	Numeric values	
6	Number of derivatives s rejected	Numeric values	
7	Identification of the derivatives		
8	Counterparty 1 (Reporting counterparty)	Table 1 field 4	
9	Counterparty 2	Table 1 field 9	
10	UTI	Table 2 field 1	

11	Status Accepted	Textual value	
12	Status Rejected	Textual value	
13	Rejection reason	Error codes	
14	Rejection description	Error description	</RptgCtrPty> <OthrCtrPty> <Lgl> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </Lgl> </OthrCtrPty> <UnqTradIdr> UTI1 </UnqTradIdr> </Tx> </TxId> <Sts>RJCT</Sts> <DtldVldtnRule> <Id>ERR001</Id> <Desc>Error description</Desc> </DtldVldtnRule> </TxsRjctnsRsn> </DtldSttstcs> </TxSts> </TxRptStsAndRsn>

601. Where the rejection pertains to field 1.4 Counterparty 1 (Reporting counterparty) or field 1.9 Counterparty 2, these fields might not be populated in the rejection report.

8.3.1.2 End-of-day rejection report

602. End-of-day rejection report shall be provided by the TRs in the standardized response messages compliant with ISO 20022 format in accordance with Article 4(1)(c) o fteh draft RTS on data quality, specifically the XSD schema It should contain the following information:

Table 85 - End-of-day rejection report

No.	Field	Details to be reported	XML Message
1	Number of files received	Numeric values	<TxRptStsAndRsn> <MsgRptId>123456789</MsgRptId> <RptSts> <TtlNbOfRpts>10</TtlNbOfRpts> <TtlNbOfRptsAccptd>9</TtlNbOfRptsAccptd> <TtlNbOfRptsRjctd>1</TtlNbOfRptsRjctd> <NbOfRptsRjctdPerErr> <DtldNb>1</DtldNb>
2	No. of files accepted	Numeric values	
3	No. of files rejected	Numeric values	
4	File identification	Textual value	
5	Rejection reason	Error code	
6	Rejection description	Error description	
7	Number of derivatives received	Numeric values	

8	Number of derivatives accepted	Numeric values	
9	Number of derivatives s rejected	Numeric values	
10	Identification of the derivatives		
11	Counterparty 1 (Reporting counterparty)	Table 1 field 4	
12	Counterparty 2	Table 1 field 9	
13	UTI	Table 2 field 1	
14	Status Accepted	Textual value	
15	Status Rejected	Textual value	
16	Rejection reason	Error codes	
17	Rejection description	Error description	

```
    <RptSts>
      <MsgRptId>123456789</MsgRptId>
      <Sts>RJCT</Sts>
      <DtldVldtnRule>
        <Id>ERR001</Id>
        <Desc>Error description</Desc>
      </DtldVldtnRule>
    </RptSts>
   </NbOfRptsRjctdPerErr>
 </RptSts>
 <TxSts>
  <DtldSttstcs>
    ...
      <TxId>
        <Tx>
          <RptgCtrPty>
            <LEI>
            12345678901234500000
            </LEI>
          </RptgCtrPty>
          <OthrCtrPty>
            <Lgl>
              <LEI>
              ABCDEFGHIJKLMNOPQRST
              </LEI>
            </Lgl>
          </OthrCtrPty>
          <UnqTradIdr>UTI1</UnqTradIdr>
        </Tx>
      </TxId>
      ...
    </TxsRjctnsRsn>
  </DtldSttstcs>
 </TxSts>
</TxRptStsAndRsn>
```

603. Where the rejection pertains to field 1.4 Counterparty 1 (Reporting counterparty) or field 1.9 Counterparty 2, these fields might not be populated in the rejection report.

604. End-of-day rejection report should be provided electronically in ISO 20022 XML message. TRs could use another interface so that e.g. in case the reporting counterparty or the entity responsible for reporting are not reporting directly to the TR, but have a view only account, will be able to have detailed understanding on their compliance with the reporting obligation under EMIR.

Q98. What other aspects need to be considered with regards to the aforementioned approach to rejection feedback? Please detail the reasons for your response.

8.3.2 Warnings feedback

605. Article 4(1)(e) to 4(1)(g) of the draft RTS on data quality requires the TRs to make available to the reporting counterparties, RSEs, ERRs and third parties which have been

granted an access to EMIR data under Article 78(7) of EMIR end-of-day reports on missing valuations of outstanding derivatives, missing margin information of outstanding derivatives, as well as on abnormal values reported in the fields.

606. These end-of-day reports shall be made accessible by 6:00 UTC on the following working day.

607. The inclusion of derivatives into the end-of-day warning reports should follow the same rules as the inclusion of derivatives into the Trade State Report as described in detail in Section 8.1. Therefore, the warnings should be provided on the basis of TSR and for example dead derivatives should be excluded (as explained in section 8.1.7).

608. Regarding the deadlines for provision of (immediate and end-of-day) rejection response under special circumstances, such as scheduled or non-scheduled maintenance, the TRs should proceed analogously to the existing guidance on operational aspects on data access.

609. End-of-day reports providing information on missing or abnormal data do not entail rejection of derivative reports, they are of informative nature and should provide warnings on possible faults in reporting to the relevant parties. Nevertheless, despite the informative nature, the reporting counterparties, ERRs and RSEs as applicable should always investigate the identified issues and if misreporting is confirmed the data should be corrected or missing data reported without undue delay.

610. End-of-day warning reports should be provided electronically in the standardized response messages compliant with ISO 20022 format. TRs could use another interface so that e.g. in case the reporting counterparty or the entity responsible for reporting are not reporting directly to the TR, but have a view only account, will be able to have detailed understanding on their compliance with the reporting obligation under EMIR Refit.

8.3.2.1 Missing valuations report

611. According to Article 4(1)(e) of the draft RTS on data quality the outstanding derivatives for which no valuation has been reported, or the valuation that was reported is dated more than fourteen calendar days earlier than the day for which the report is generated shall be included in the end-of-day missing valuations report. To provide the missing valuations feedback the TRs should use as reference the TSR generated in accordance with section 8.1.

612. Therefore, this report should include:

a. any outstanding derivative for which field 2.21 Valuation amount was never reported as well as

b. any outstanding derivative for which field 2.21 Valuation amount was reported at least once, but the most recent value of this field, i.e. with most recent field 2.23 Valuation timestamp, has the value of this timestamp more than fourteen calendar days earlier than the day for which the report is generated.

613. End-of-day missing valuations report provided by the TRs in the standardized response messages compliant with ISO 20022 format, specifically the XSD schema, should contain

the information in Table 85. TRs could use another interface so that e.g. in case the reporting counterparty or the entity responsible for reporting are not reporting directly to the TR, but have a view only account, will be able to have detailed understanding on their compliance with the reporting obligation under EMIR.

Table 86 - End-of-day missing valuations report

No.	Field	Details to be reported	XML Message
1	Number of outstanding derivatives	Numeric values	<ValtnSts> <TtlNbOfOutsdngDerivs> 10 </TtlNbOfOutsdngDerivs> <TtlNbOfOutsdngDerivsNoValtn> 1 </TtlNbOfOutsdngDerivsNoValtn> <TtlNbOfOutsdngDerivsOutdtValtn> 0 </TtlNbOfOutsdngDerivsOutdtValtn> <DtldValtns> <Tx> <RptgCtrPty> <LEI> 12345678901234500000 </LEI> </RptgCtrPty> <OthrCtrPty> <Lgl> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </Lgl> </OthrCtrPty> <UnqTradIdr>UTI1</UnqTradIdr> </Tx> <CtrctVal>1</CtrctVal> <TmStmp> 2023-04-07T10:00:00Z </TmStmp> </DtldValtns> </ValtnSts>
2	Number of outstanding derivatives with no valuation	Numeric values	
3	Number of outstanding derivatives with outdated valuation	Numeric values	
4	Identification of the derivatives		
5	Counterparty 1 (Reporting counterparty)	Table 1 field 4	
6	Counterparty 2	Table 1 field 9	
7	UTI	Table 2 field 1	
8	Valuation amount	Table 2 field 21 Or blank	
9	Valuation timestamp	Table 2 field 23 Or blank	

Q99. Do you agree with the approach outlined above with regards to the missing valuations report? Are there any other aspects that need to be considered? Please detail the reasons for your response.

8.3.2.2 Missing margin information report

614. According to Article 4(1)(f) of the draft RTS on data quality the outstanding derivatives for which no margin information has been reported, or the margin information that was reported is dated more than fourteen calendar days earlier than the day for which the report

is generated shall be included in the end-of-day missing margin information report. To provide the missing margin information feedback the TRs should use as reference the TSR generated in accordance with section 8.1.

615. Therefore, this report should include:

a. any outstanding derivative for which UTI margin report was never reported with action type 'NEWT' (or it was reported but then errored) and

b. any outstanding derivative for which margin report was reported at least once, but the most recent report, i.e. with most recent field 3.7 Collateral timestamp, has the value of this timestamp more than fourteen calendar days earlier than the day for which the report is generated.

End-of-day missing margin information report provided by the TRs in the standardized response messages compliant with ISO 20022 format, specifically the XSD schema, should contain the information included in the below table. TRs could use another interface so that e.g. in case the reporting counterparty or the entity responsible for reporting are not reporting directly to the TR, but have a view only account, will be able to have detailed understanding on their compliance with the reporting obligation under EMIR:

Table 87 - End-of-day missing margin information report

No.	Field	Details to be reported	XML Message
1	Number of outstanding derivatives	Numeric values	<MrgnSts> <TtlNbOfOutsdngDerivs> 10 </TtlNbOfOutsdngDerivs> <TtlNbOfOutsdngDerivsNoMrgn> 1 </TtlNbOfOutsdngDerivsNoMrgn> <TtlNbOfOutsdngDerivsOutdtMrgn> 0 </TtlNbOfOutsdngDerivsOutdtMrgn> <DtldMrgn> <Tx> <RptgCtrPty> <LEI> 12345678901234500000 </LEI> </RptgCtrPty> <OthrCtrPty> <Lgl> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </Lgl> </OthrCtrPty> <UnqTradIdr>UTI1</UnqTradIdr> </Tx> <CollTmStmp>
2	Number of outstanding derivatives with no margin information	Numeric values	
3	Number of outstanding derivatives with outdated margin information	Numeric values	
4	Identification of the derivatives		
5	Counterparty 1 (Reporting counterparty)	Table 1 field 4	
6	Counterparty 2	Table 1 field 9	
7	UTI	Table 2 field 1	
8	Collateral timestamp	Table 3 field 7 Or blank	

			2023-04-07T10:00:00Z </CollTmStmp> </DtldMrgn> </ValtnSts>

Q100. Do you agree with the approach outlined above with regards to the missing margin information report? Are there any other aspects that need to be considered? Please detail the reasons for your response.

8.3.2.3 Abnormal values report

616. According to Article 4(1)(g) of the daft RTS on data quality the derivatives that were received on the day of generation of the report with action type 'New', 'Position component', 'Modification' or 'Correction' whose notional amount is greater than a threshold for that class of derivatives shall be included in the end-of-day abnormal values report.

617. Abnormal values (outliers) should be identified for the following fields:

a. 2.55 Notional amount of leg 1,

b. 2.59 Notional amount in effect on associated effective date of leg 1,

c. 2.60 Total notional quantity of leg 1,

d. 2.63 Notional quantity in effect on associated effective date of leg 1,

e. 2.64 Notional amount of leg 2,

f. 2.68 Notional amount in effect on associated effective date of leg 2,

g. 2.69 Total notional quantity of leg 2,

h. 2.72 Notional quantity in effect on associated effective date of leg 2.

618. The values of these fields should be converted into the EUR equivalent amounts for the pupose of abnormal values detection.

619. Abnormal values should be identified for each class of derivatives (credit, commodity, currency, equity, interest rates), as categorized by CFI in field 2.9 Product classification, and level (trade, position) separately.

620. ESMA does not intend to prescribe any specific generally applied outlier detection method, however to ensure compliance with Article 4(1)(g) of the draft RTS on data quality, the TR should inform ESMA on the outlier detection method chosen and the thresholds applied for that particular method.

621. This approach will provide flexibility in order to have the possibility to change the values to adjust to market conditions. It will also avoid a scenario where TRs set different threshold levels resulting in a single trade being considered to be over the threshold level by one TR, but under the threshold level by another. More generally, the setting of threshold levels is an area where machine learning and/or AI could potentially be utilised. This should lead to more considered and relevant threshold levels being established and enable the levels to be modified more easily.

622. The TR should also make the information on outlier detection method and thresholds available to the relevant entities receiving end-of-day abnormal values reports, so that they are fully informed about the content of these reports.

623. End-of-day abnormal values report provided by the TRs in the standardized response messages compliant with ISO 20022 format, specifically the XSD schema , should contain the information included in the below table. TRs could use another interface so that e.g. in case the reporting counterparty or the entity responsible for reporting are not reporting directly to the TR, but have a view only account, will be able to have detailed understanding on their compliance with the reporting obligation under EMIR Refit.

Table 88 - End-of-day abnormal values report

No.	Field	Details to be reported	XML Message
1	Number of derivatives reported with NEWT, POSC, MODI, CORR	Numeric values	<AbnrmlValsSts> <TtlNbOfDerivs> 10 </TtlNbOfDerivs> <NbOfDerivsWthOtlrs> 1 </NbOfDerivsWthOtlrs> <DtldAbnrmlVals> <Tx> <RptgCtrPty> <LEI> 12345678901234500000 </LEI> </RptgCtrPty> <OthrCtrPty> <Lgl> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </Lgl> </OthrCtrPty> <UnqTradIdr>UTI1</UnqTradIdr> </Tx> <NtnlAmtFrstLeg>1 </NtnlAmtFrstLeg> <NtnlAmtInFctFrstLeg>1 </NtnlAmtInFctFrstLeg> <TtlNtnlQtyFrstLeg>1 </TtlNtnlQtyFrstLeg> <NtnlQtyInFctFrstLeg>1 </NtnlQtyInFctFrstLeg> <NtnlAmtScndLeg>1 </NtnlAmtScndLeg> <NtnlAmtInFctScndLeg>1 </NtnlAmtInFctScndLeg> <TtlNtnlQtyScndLeg>1 </TtlNtnlQtyScndLeg>
2	Number of derivatives reported with outliers	Numeric values	
3	Identification of the derivatives		
4	Counterparty 1 (Reporting counterparty)	Table 1 field 4	
5	Counterparty 2	Table 1 field 9	
6	UTI	Table 2 field 1	
7	Notional amount of leg 1	Table 2 field 55 or blank if no outlier detected	
8	Notional amount in effect on associated effective date of leg 1	Table 2 field 59 or blank if no outlier detected	
9	Total notional quantity of leg 1	Table 2 field 60 or blank if no outlier detected	
10	Notional quantity in effect on associated effective date of leg 1	Table 2 field 63 or blank if no outlier detected	
11	Notional amount of leg 2	Table 2 field 64 or blank if no outlier detected	
12	Notional amount in effect on associated effective date of leg 2	Table 2 field 68 or blank if no outlier detected	

			<NtnlQtyInFctScndLeg>1 </NtnlQtyInFctScndLeg> </DtldAbnrmlVals> </AbnrmlValsSts>
13	Total notional quantity of leg 2	Table 2 field 69 or blank if no outlier detected	
14	Notional quantity in effect on associated effective date of leg 2	Table 2 field 72 or blank if no outlier detected	

Q101. Do you agree with the approach outlined above with regards to the detection of abnormal values and the corresponding end-of-day report? Are there any other aspects that need to be considered? Please detail the reasons for your response.

8.3.3 Reconciliation feedback

624. In Table 3 to the Annex of the draft RTS on data quality, ESMA has included different categories of statuses for a derivative, as follows:

Table 89	
Reconciliation categories	**Allowable values**
Reporting requirement for both counterparties	Yes/No
Reporting type	Single-sided/dual-sided
Pairing	Paired/unpaired
Reconciliation	Reconciled/not reconciled
Valuation reconciliation	Reconciled/not reconciled
Revived	Yes/No
Further modifications:	Yes/No

625. The category “Reporting requirement for both counterparties” should be filled by the TR based on the information in field 1.14. Where the field is populated “True”, then the status of the reconciliation category should be “yes”, otherwise it should be “no”.

626. The category “Reporting type” should be populated with “single-sided” when the TR has received only one side of the derivatives, and “dual-sided” when both counterparties have reported to the same TR.

627. The category “Pairing” should be populated with “paired” when the TR has been able to identify the two sides of the same derivative or “unpaired” is it has not yet been able to do so. When a TR identifies a derivative as “dual-sided” in the category “Reporting type”, it should only identify it as “paired” in the category “Pairing”.

628. Only derivatives that have been paired can be reconciled. Therefore status of "reconciled" for either the category "Reconciliation" or the category "Valuation reconciliation" should only be assigned by the TR for derivatives that are "paired".

629. The TRs should identify as "reconciled" only those derivatives for which all the reconcilable fields are within the allowed tolerances of reconciliation.

630. Finally, the population of the categories "Revived" and "Further modifications" is independent on the rest of reconciliation categories.

631. In the table included below all the allowable combinations are included. TRs should only use the below combinations when providing reconciliation feedback.

Table 90						
Reporting requirement for both counterparties	**Reporting type**	**Pairing**	**Reconciliation**	**Valuation reconciliation**	**Revived**	**Further modifications**
No	Single-sided	Unpaired	Not reconciled	Not reconciled	No	No
No	Single-sided	Unpaired	Not reconciled	Not reconciled	Yes	No
No	Single-sided	Unpaired	Not reconciled	Not reconciled	No	Yes
No	Single-sided	Unpaired	Not reconciled	Not reconciled	Yes	Yes
Yes	Single-sided	Unpaired	Not reconciled	Not reconciled	No	No
Yes	Single-sided	Unpaired	Not reconciled	Not reconciled	Yes	No
Yes	Single-sided	Unpaired	Not reconciled	Not reconciled	No	Yes
Yes	Single-sided	Unpaired	Not reconciled	Not reconciled	Yes	Yes
Yes	Single-sided	Paired	Not reconciled	Not reconciled	No	No
Yes	Single-sided	Paired	Not reconciled	Not reconciled	Yes	No
Yes	Single-sided	Paired	Not reconciled	Not reconciled	No	Yes
Yes	Single-sided	Paired	Not reconciled	Not reconciled	Yes	Yes
Yes	Single-sided	Paired	Reconciled	Not reconciled	No	No
Yes	Single-sided	Paired	Reconciled	Not reconciled	Yes	No
Yes	Single-sided	Paired	Reconciled	Not reconciled	No	Yes
Yes	Single-sided	Paired	Reconciled	Not reconciled	Yes	Yes
Yes	Single-sided	Paired	Reconciled	Reconciled	No	No
Yes	Single-sided	Paired	Reconciled	Reconciled	Yes	No
Yes	Single-sided	Paired	Reconciled	Reconciled	No	Yes
Yes	Single-sided	Paired	Reconciled	Reconciled	Yes	Yes
Yes	Single-sided	Paired	Not reconciled	Reconciled	No	No
Yes	Single-sided	Paired	Not reconciled	Reconciled	Yes	No
Yes	Single-sided	Paired	Not reconciled	Reconciled	No	Yes
Yes	Single-sided	Paired	Not reconciled	Reconciled	Yes	Yes

Yes	Dual-sided	Paired	Not reconciled	Not reconciled	No	No
Yes	Dual-sided	Paired	Not reconciled	Not reconciled	Yes	No
Yes	Dual-sided	Paired	Not reconciled	Not reconciled	No	Yes
Yes	Dual-sided	Paired	Not reconciled	Not reconciled	Yes	Yes
Yes	Dual-sided	Paired	Reconciled	Not reconciled	No	No
Yes	Dual-sided	Paired	Reconciled	Not reconciled	Yes	No
Yes	Dual-sided	Paired	Reconciled	Not reconciled	No	Yes
Yes	Dual-sided	Paired	Reconciled	Not reconciled	Yes	Yes
Yes	Dual-sided	Paired	Reconciled	Reconciled	No	No
Yes	Dual-sided	Paired	Reconciled	Reconciled	Yes	No
Yes	Dual-sided	Paired	Reconciled	Reconciled	No	Yes
Yes	Dual-sided	Paired	Reconciled	Reconciled	Yes	Yes
Yes	Dual-sided	Paired	Not reconciled	Reconciled	No	No
Yes	Dual-sided	Paired	Not reconciled	Reconciled	Yes	No
Yes	Dual-sided	Paired	Not reconciled	Reconciled	No	Yes
Yes	Dual-sided	Paired	Not reconciled	Reconciled	Yes	Yes

8.3.3.1 Immediate feedback

632. When providing the immediate reconciliation feedback in accordance with Article 3(5) of the draft RTS on data quality, the TRs shall provide information only about those derivatives that have been subject to reconciliation in the relevant reconciliation cycle.

633. The following information shoud be included in the reconciliation feedback :

Table 91 - Reconciliation Feedback

No.	Field		Details to be reported	XML Message
1	Reporting counterparty	Unique key	Table A Field 3	<Rpt> <PairgRcncltnSts> <Tx> <RptgCtrPty> <LEI> 12345678901234500000 </LEI> </RptgCtrPty> <OthrCtrPty> <Lgl> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </Lgl> </OthrCtrPty> <UnqTradIdr>UTI1</UnqTradIdr> </Tx>
2	UTI		Table B Field 1	
3	Other counterparty		Table A Field 11	
4	Reporting requirement for both counterparties		Paired/Reconciled	
5	Reporting type	Information on the last reporting timestamp pertaining to the derivative that is reconciled	Table A Field 1	
6	Pairing	Information if the derivative subject	True/False	

Table 91 - Reconciliation Feedback				
No.	**Field**		**Details to be reported**	**XML Message**
		of reconciliation was modified		<Sts> <Pairg>true</Pairg> <Rncltn>true</Rncltn> <ValtnRcnclt>true</ValtnRcnclt> <Revivd>false</Revivd> <Mod>false</Mod> </Sts> </PairgRncltnSts> </Rpt>
7	Reconciliation	Indication that the derivative is not subject of reconciliation	True/False	
8	Valuation reconciliation		True/False	
9	Revived		reconciled/not reconciled	
10	Further modifications	Only not reconciled fields are to be reported, both values subject of reconciliation shall be reported	Loan fields of Table 1 of RTS on data verification	

8.3.3.2 End of day reconciliation information

634. When providing End of day (EoD) reconciliation information included in Article 4(1)(d) of the draft RTS on data quality, the TR should provide information about all derivatives that are in the scope of the reconciliation process.

Q102. Is there any additional aspect related to the provision of reconciliation feedback by TRs that should be clarified? Please detail the reasons for your response.

8.3.4 Revive

635. TRs should reject the report of derivatives with action type “Revive” that are submitted more than thirty calendar days after the submission of report with action type Error”.

Q103. Is there any additional aspect related to the rejection of reports with action type “Revive” by TRs that should be clarified? Please detail the reasons for your response.

8.4 Data access

8.4.1 Operational aspects

636. When providing access to transaction data in accordance with Article 2 of the RTS on data access, as amended by the draft RTS, TRs should include all individual trade details. Irrespective of whether the report for a derivative contract has been accepted or rejected by the TR.

637. A Union competent authority (including the competent authorities of the EU Member States) has access to all transaction data on all derivatives trades concluded by a counterparty that fall within the scope of that authority, where such counterparty is reported under counterparty data field no. 2 (Counterparty ID) or counterparty data field no. 3 (ID of the other counterparty).

638. A competent authority from a Member state has access to all transaction data on all derivatives trades concluded by a counterparty that is from the same Member State, where these competent authorities shall be provided with access to data in accordance with Article 81(3) of EMIR.

639. Union competent authorities should be given access to all transaction data on derivatives when it is the Relevant Competent Authority (RCA) according to FIRDS, where these competent authorities shall be provided with access to data in accordance with Article 81(3(j) of EMIR.

640. Union competent authorities should be given access to all transaction data on derivatives when the field “Underlying type” (T2F13) is reported with an “X” or a ”B” and the field “Underlying identification” (T2F14) is populated with either:

a. ISIN of the underlying index or an ISIN belonging to any of the individual components of the underlying basket, whose first two letters represent the country code of that competent authority, or

b. an ISIN belonging to any of the individual components of the underlying basket, where the Relevant Competent Authority (RCA) as determined in the FIRDS database is that competent authority, or

c. ISIN of the underlying index or an ISIN belonging to any of the individual components of the underlying basket of indices, whose first two letters do not represent the country code of that competent authority, however is needed for that authority in order to perform its responsibilities and mandates, or

d. full names (assigned by index providers) of additional indices that, though not identified by ISIN, are needed for that authority in order to perform its responsibilities and mandates.

641. In that regard, each competent authority can provide ESMA with an up to date list of the ISINs and/or full names (assigned by index providers) of additional indices for which that authority also requires access to transaction data if a given index is identified in the report as the underlying index or a component of the underlying basket or a list with principles, e.g. derivatives referring to stock issued in a member state if a detailed list of derivative types or underlyings is not feasible and might result in an undue restriction of data access. That list should be maintained by ESMA, based on the information provided by the authorities, and made available to Trade Repositories.

642. From the perspective of providing access based on the UPI, the TRs should make use of the available information published by ANNA-DSB.

643. The TRs should establish the data access of the third country authorities in accordance with Article 3 of the RTS on data access, as amended by the draft RTS.

644. Articles 5(7) and 5(8) of the RTS on data access, as amended by the draft RTS (see ESMA Final report 10.9 Annex IX) do not refer to the timelines that trade repositories should follow in the event of carrying out scheduled maintenance that impacts TR services related to authorities' access to data, irrespective of the channel or format used.

645. Trade repositories should plan carefully the scheduled maintenance that impacts TR services related to authorities' access to data so that it does not coincide with working days determined in accordance with a calendar consistently agreed in the Union such as the Target2 calendar. Where under exceptional circumstances it coincides with such a working day, the scheduled maintenance should be carried out outside normal working hours, i.e. very early in the morning or very late at night. The trade repositories should make sure that the aforementioned scheduled maintenance isnot performed in a way that circumvents the timely availability of derivatives information to authorities.

646. Trade repositories should use electronic means to notify all authorities of the start and end dates and times of their scheduled maintenance windows.

647. Where an annual planning of scheduled maintenance windows that impact TR services related to authorities' access to data exists at the TR, the TR could notify all authorities of that planning on an annual basis and with at least three working days' notice. Furthermore, any additional specific notifications on scheduled maintenance that impact TR services related to authorities' access to data, that are not notified on an annual basis, should be made at the earliest opportunity and at least three working days before the starting date of the scheduled maintenance that impacts TR services related to authorities' access to data.

648. Trade repositories should keep a record of the relevant notifications that can be made available to ESMA upon request. The records related to scheduled maintenance notifications should contain, at least, the following information: the timestamp of the notification, of the start and of the end of the scheduled maintenance that impacts TR services related to authorities' access to data and the relevant list of users notified.

649. In the case of verification of requests under Article 5(8) of the RTS on data access, trade repositories should confirm receipt and verify the correctness and completeness of any request to access data, at the earliest opportunity and no later than sixty minutes after the finalisation of the relevant scheduled maintenance that impacts TR services related to authorities' access to data.

650. In the case of non-scheduled maintenance, the trade repositories should meet the timelines included in Articles 5(7) and 5(8) of the RTS on data access, as amended by the draft RTS (see ESMA Final report 10.9 Annex IX) and these timelines will be taken as reference when assessing the compliance of the trade repository.

651. Trade repositories should notify ESMA and the entities listed in Article 81(3) that have access to data at that TR of the non-scheduled maintenance in accordance with their procedures.

652. Trade repositories, in connection with the approaches included in section 8.1.2 should be able to generate report with the derivatives outstanding as of the moment of the date of the report. In case of modification or correction to past data, the following scenarios should, inter alia, be possible:

a. periodical regeneration of some specific Trade State Reports (e.g. end-month). For instance, the 30 June 2020 report could be regenerated and resent with all relevant updates on 31 July, and then subsequently on 30 September;

b. re-running of reports when an issue has been identified at the TR (within a week and specify the versioning of the data files to the convenience of the entities listed in Article 81(3) EMIR that have access to data at that TR and ESMA)

Q104. Regarding the requirements in the RTS on registration, as amended, and the RTS on data access, as amended, do you need any further specifications and/or clarification?

Q105. Are there any specific aspects related to the access to data based on UPI that need to be clarified? Please detail which ones.

Q106. What access rights would you like to be clarified and/or which access scenarios examples would you consider to be inserted in the guidelines? Please list them all, if appropriate.

Q107. Are there any aspects, or procedures you would like to be clarified? If yes, please describe in detail.

8.4.2 Template form for data access

653. TRs should use the following template, presented across the below sub-sections to set up the access to derivatives data pursuant to Article 4 of the RTS on data access, as amended by draft RTS on data access.

654. As positions and tasks may change, an entity listed in Article 81(3) of EMIR should only lay down itsr mandate, but not any information regarding their internal organisation.

8.4.2.1 Contact information

TABLE 92

Regulator Information and Authorised signatory	
Full Name of the entity (with English translation where appropriate)	Click or tap here to enter text.
Mandates (in accordance with the table below)	Click or tap here to enter text.
Type of entity listed in Article 81(3) EMIR	Click or tap here to enter text.
Website of the entity listed in Article 81(3) EMIR	Click or tap here to enter text.
Authorised signatory contact name	Click or tap here to enter text.
Authorised signatory mailing address	Click or tap here to enter text.

Authorised signatory email address	Click or tap here to enter text.

8.4.2.2 Contact details for TR data user (or team) at the entity listed under Article 81(3) EMIR to receive important notifications

TABLE 93

Contact name	Click or tap here to enter text.
Email address	Click or tap here to enter text.
Phone number	Click or tap here to enter text.
Credentials for a secure SSH FTP connection;	Click or tap here to enter text.
Any other technical information relevant to the entity's access to details of derivatives.	Click or tap here to enter text.

8.4.2.3 EMIR Mandates applicable to a given entity listed in Article 81(3) EMIR

TABLE 94

(EU) 648/2012, Article 81(3)	Comments (Please indicate each of the mandates that in your view allow you access to data and the relation between such mandate and the data requested. In the comments section please identify the legal instrument or enabling legislation in your jurisdiction that sets out the relevant mandate).	
Entity listed in Article 81(3) EMIR	**Comments**	**Please Tick**
(A) ESMA	Click or tap here to enter text.	☐
(B) EBA	Click or tap here to enter text.	☐
C) EIOPA	Click or tap here to enter text.	☐
(D) The ESRB	Click or tap here to enter text.	☐

Entity listed in Article 81(3) EMIR	**Comments**	**Please Tick**
(E)The competent authority supervising CCPs accessing the trade repositories	Click or tap here to enter text.	☐
(F) The competent authority supervising the trading venues where the reported derivatives were concluded	Click or tap here to enter text.	☐
(G1) A member of the ESCB, whose currency is the euro	Click or tap here to enter text.	☐
(G2) A member of the ESCB, whose currency is not the euro	Click or tap here to enter text.	☐
(G3) The ECB	Click or tap here to enter text.	☐
(H) The relevant authorities of a third country that has entered into an international agreement with the Union as referred to in Article 75.	Click or tap here to enter text.	☐
(I) Supervisory authorities designated under Article 4 of Directive 2004/25/EC of the European Parliament and of the Council.	Click or tap here to enter text.	☐
(J) The relevant European Union securities and market authorities whose respective supervisory responsibilities and mandate cover contracts, markets, benchmarks, participants and underlying which fall within the scope of EMIR	Click or tap here to enter text.	☐
(K) The relevant authorities of a third country that has entered into a cooperation arrangement with ESMA, as referred to in Article 76	Click or tap here to enter text.	☐
(L) The Authority for the Cooperation of Energy Regulators established by Regulations (EC) No 713/2009 of the European Parliament and of the Council	Click or tap here to enter text.	☐

(M) The resolution authorities designated under Article 3 of Directive 2014/59/EU of the European Parliament and the Council	Click or tap here to enter text.	☐
(N) The Single Resolution Board established by Regulation (EU) No 806/2014	Click or tap here to enter text.	☐
(O) Competent authorities or national competent authorities within the meaning of Regulations (EU) No 1024/2013 and (EU) No 909/2014 and of Directives 2003/41/EC, 2001/61/EU, 2013/36/EU and, 2014/65/EU and supervisory authorities within the meaning of Directive 2009/138/EC	Click or tap here to enter text.	☐
(P) The competent authorities designated in accordance with Article 10(5) of this regulation.	Click or tap here to enter text.	☐
(Q) The relevant authorities of a third country in respect of which an implementing act pursuant to Article 76a has been adopted.	Click or tap here to enter text.	☐
(R) The Financial Stability authority, listed in Article 81(3) of Regulation (EU) No 648/2012, that monitors systemic risks to financial stability in the euro area and whose Member State's currency is the euro, including the ECB	Click or tap here to enter text.	☐

8.4.2.4 Relevant data fields for filtering

TABLE 95

the entity is competent for counterparties in its Member State, the euro area or the Union	Click or tap here to enter text.	☐
the types of counterparties for which the entity is competent as per the classification in Table 1 of Annex I to	Click or tap here to enter text.	☐
types of underlyings to derivatives for which the authority is competent	Click or tap here to enter text.	☐
the trading venues that are supervised by the entity, if any;	Click or tap here to enter text.	☐
the CCPs that are supervised or overseen by the entity, if any	Click or tap here to enter text.	☐

the currency that is issued by the entity, if any;	Click or tap here to enter text.	☐
delivery and interconnection points;	Click or tap here to enter text.	☐
benchmarks used in the Union, for whose administrator the entity is competent	Click or tap here to enter text.	☐
characteristics of underlyings that are supervised by that entity	Click or tap here to enter text.	☐
Relevant clearing members, brokers and reference entity	Click or tap here to enter text.	☐

Authorised Signatory:

Name: Click or tap here to enter text.

Title: Click or tap here to enter text.

Signature:

Date (dd/mmm/yyyy): Click or tap here to enter text.

Q108. Is there any other information that should be provided by the entity listed in Article 81(3) EMIR to facilitate the swift and timely establishment of access to data?

9 Annex List of questions

Q1. Are there any other clarifications that should be provided with regards to the transition to reporting under the revised technical standards?
Q2. Are there any additional aspects to be considered with regards to the eligibility to reporting of currency derivatives?
Q3. Are there any aspects to be clarified with regards to the rest of contract types of currency derivatives? Please provide the relevant examples.
Q4. Are there any additional aspects to be considered with regards to the eligibility for reporting of the derivatives on crypto-assets? Please provide the relevant examples.
Q5. Are there any additional aspects to be considered with regards to the eligibility for reporting of Total Return Swaps, liquidity swaps, collateral swaps or any other uncertainty with regards to potential overlap between SFTR and EMIR? Please provide the relevant examples.
Q6. Are there any additional aspects to be considered with regards to the eligibility for reporting of complex derivative contracts? Please provide the relevant examples.
Q7. Are there other situations where a clarification is required whether a derivative should be reported?
Q8. Do you agree with the above understanding?
Q9. Are there other situations where a clarification is required whether a derivative involving a specific category of party should be reported?
Q10. Do you agree with the above understanding?
Q11. Are there other specific scenarios where a clarification is required?
Q12. Do you agree with the above understanding?
Q13. Are there any other clarifications required with regards to the IGT exemption from reporting?
Q14. Are there any other clarifications required for the handling of derivatives between NFC- and FC?
Q15. Are the current illustrative examples providing clarity and / are there other examples that should be incorporated in the guidelines?
Q16. Are there any other clarifications required for the reporting obligation related to CCPs?
Q17. Are there any other clarifications required for the reporting obligation related to Investment Funds i.e. UCITS, AIF and IORP that, in accordance with national law, does not have legal personality?
Q18. Do you see any other challenges with the delegation of reporting which should be addressed?
Q19. Do you agree that only action types 'Margin Update' and 'Correct' should be used to report collateral?
Q20. Are there any other clarifications required with regards to the use of the action types in general (other than specific aspects covered in the sections below)?
Q21. Do you agree with the sequences proposed? Please detail the reasons for your response.
Q22. Are there any specific scenarios in which the expected sequence of action types is unclear?

Q23. Are any further clarifications needed with regards to the action type - event type combinations or their applicability?

Q24. Is it clear when the linking IDs should be used, and in which reports they should be provided? Do you agree that the linking IDs should be reported only in the reports pertaining to a given lifecycle events and should not be included in all subsequent reports submitted for a given derivative? Are any further clarifications on linking IDs required?

Q25. Do you agree with the ESMA´s approach related to leaving the Event type blank in the case of multiple events impacting the same position on a given day? How often multiple events/single events impact the same position on a given day? Have you assessed the single versus multiple events impacting positions on a given day? Do you have systems or methods to distinguish between one or multiple events impacting the positions on a given day?

Q26. Do you agree with the proposed clarifications concerning population of certain fields at position level?

Q27. Do you need any other clarification with regards to the position level reporting?

Q28. Are there any other aspects that should be clarified with regards to reporting of on-venue derivatives?

Q29. Do you agree with the proposal for reporting conclusion of derivatives? Please detail the reasons for your response

Q30. Do you agree with the proposal for reporting modifications and corrections to derivatives? Please detail the reasons for your response.

Q31. Do you agree with the specification of the 'Event date' for different action types?

Q32. Do you agree with the interpretation of the business events and the suggested action and event types?

Q33. Are there other business events that would require clarification? If so, please describe the nature of such events and explain how in your view they should be reported under EMIR (i.e. which action type and event type should be used).

Q34. Which approach do you prefer to determine the entity with the soonest reporting deadline? Please clarify the advantages and challenges related to each of the approaches.

Q35. Are there any other aspects that need to be clarified on UTI generation?

Q36. Are there any other types of contracts for which the determination of the counterparty side needs more clarity?

Q37. Are there any other clarifications required with regard to the determination of the counterparty side (other than specific aspects covered in other sections)?

Q38. Are there any other clarifications requested with regards to the identification of counterparties?

Q39. Are there any other aspects to clarify in the LEI update procedure when a counterparty undergoes a corporate action?

Q40. Are there any other aspects to be considered in the procedure to update from BIC to LEI?

Q41. Do you require any further clarification on the use of UPI, ISIN or CFI for derivatives?

Q42. Do you require any further clarification with regards to the reporting of fields covered by the UPI reference data? Which fields in the future should /should not be sourced exclusively from the UPI reference data rather than being reported to the TRs?
Q43. Do you require any further clarification on the reporting of details of the underlying?
Q44. Is any further guidance required in relation to the population of the notional field?
Q45. Is any further guidance required in relation to the population of the Total notional quantity field? How should the Total notional quantity field be populated, distinguishing between ETD and OTC and asset class?
Q46. Are there other instances when we would expect to see a zero notional for Position Reports? Please provide examples. Are there any instances when we would expect to see a notional of zero for Trade Level Reports? Please provide examples.
Q47. Are there any other aspects in reporting of valuations that should be clarified?
Q48. Are there any other aspects in reporting of delta that should be clarified? Are there instrument types (in addition to swaption) where further guidance is needed with regards to the calculation of delta?
Q49. Are there any further clarifications required with regards to the reporting of margins?
Q50. Are there any further clarifications required with regards to the reporting of the trading venue?
Q51. Are there any further clarifications required with regards to the reporting of clearing?
Q52. Are there any further clarifications required with regards to the reporting of confirmation timestamp and confirmation means?
Q53. Are there any further clarifications required with regards to the reporting of settlement currencies?
Q54. Are there any additional clarifications to be considered related to reporting of regular payments?
Q55. Are there any further clarifications needed with regards to the reporting of other payments?
Q56. How would you define effective day for novations and cash-settled commodity derivatives?
Q57. What are reporting scenarios with regards to dates and timestamps which you would like to be clarified in the guidelines? Are there any other aspects that need to be clarified with respect to dates and timestamp fields?
Q58. Are there any other aspects that need to be clarified with respect to the derivatives on crypto assets?
Q59. Do you consider any scenarios in which more clarification on the correct population of the fields related to package transaction is needed?
Q60. Which of the proposed alternatives with regard to significance assessment method do you prefer? Should ESMA consider different metrics and thresholds for assessing the scope of notifications sent to the NCAs?
Please elaborate on the reasons for your response.
Q61. Do you prefer Option 1 or Option 2 with regard to the number of affected reports notified to the NCAs? Please elaborate on the reasons for your response.

Q62. Should significance of a reporting issue under Article 9(1)(c) of the draft ITS on reporting also be assessed against a quantitative threshold or the qualitative specification only is appropriate? In case threshold should be also applied, would you agree to use the same as under Alternative A or B? Is another metric or method more appropriate for these types of issues? Please elaborate on your response.

Q63. Are there any other aspects or scenarios that need to be clarified with respect to ensuring data quality by counterparties? Please elaborate on the reasons for your response.

Q64. Are there any other aspects in reporting of IRS that should be clarified?

Q65. Are there any other aspects in reporting of swaptions that should be clarified?

Q66. Are there any other aspects in reporting of FRAs, cross-currency swaps, caps and floors or other IR derivatives that should be clarified?

Q67. In the case of FX swaps, what is the rate to be used for notional amount of leg 2? Should it be the forward exchange rate of the far leg as it is in the example provided? Or the spot exchange rate of the near leg?

Q68. In the case of FX swaps, considering that the 'Final contractual settlement date' is not a repeatable field, should the settlement date of the near leg be reported, for example using the other payments fields?

Q69. Do you have any questions with regarding to reporting of FX forwards?

Q70. Do you have any questions with regarding to reporting of FX options?

Q71. What is the most appropriate way to report direction of the derivative and of the currencies involved with an objective to achieve successful reconciliation? Please detail the reasons for your response.

Q72. Do you agree with the population of the fields for NDF as illustrated in the above example? Should other pairs of NDFs be considered? Please provide complete details and examples if possible.

Q73. Do you agree with the population of the fields for CFD as illustrated in the above example? Do you require any other clarifications?

Q74. Specifically, in the case of equity swaps, portfolio equity swaps and equity CFDs how should the notional and the price be reported in the case of corporate event and in particular "free" allocations?

Q75. Are there any other clarifications required with regards to the reporting of equity derivatives?

Q76. Are there any other clarifications required with regards to the reporting of credit derivatives?

Q77. Are there any other aspects in reporting of commodity derivatives that should be clarified?

Q78. Do you agree with the population of the counterparty data fields? Please detail the reasons for your response and indicate the table to which your comments refer.

Q79. Is there any other use case related to the population of counterparty data which requires clarifications or examples? Please detail which one and indicate which aspect requires clarification.

Q80. Do you agree with the approach to reporting action types? Please detail the reasons for your response and include a reference to the specific table.

Q81. Are there any additional clarifications required with regard to the reporting of other payments?

Q82. Do you agree with the approach to reporting margin data? Please detail the reasons for your response and include a reference to the specific table.
Q83. Which of the two approaches provide greater benefits for data reporting and data record-keeping? Please elaborate on the reasons for your response.
Q84. In case Approach B is followed, should the TRs update the TSR when counterparties have reported lately the details of derivatives? If so, do you agree with the time limit ten years for such an update? Please elaborate on the reasons for your response.
Q85. Are there any fields that should be taken into account in a special way not allow change in values?
Q86. Is the guidance on treatment of action type "Revive" clear? What additional aspects should be considered? Please detail the reason for our answer.
Q87. Should the TR remove after 30 calendar days the other side of a derivative for which only one counterparty has reported "Error" and no action type "Revive"? Please detail the reasons for your answer.
Q88. Which alternative relating to the provision of the notional schedules and other payments data would be more beneficial? Which of the two alternatives has higher costs? Please detail the reasons for your answer.
Q89. Do you agree with the described process of update of the TSR? What other aspects should be taken into account? Please elaborate on the reasons for your answer.
Q90. Should only the Field 1.14 be used for determining the eligibility of derivative for reconciliation? Please detail the reasons for your response.
Q91. Is there any additional aspect that should be clarified with regards to the derivatives subject to reconciliation? Please detail the reasons for your response.
Q92. From reconciliation perspective do you agree with the proposed differentiated approach for the latest state of derivatives subject to reconciliation depending on the level at which they are reported? What are the costs of having such a differentiation? Should the timeline for reconciliation of derivatives at trade level be aligned with the one for positions? Please detail the reasons for your response.
Q93. From data use perspective, should the information in the TSR and in the reconciliation report be different? Please detail the reasons for your response.
Q94. Which alternative do you prefer? What are the costs for your organisation of each alternative? Please elaborate on the reasons for your response.
Q95. Which alternative do you prefer? What are the costs for your organisation of each alternative? Please elaborate on the reasons for your response.
Q96. Do you agree with the proposed approach for reconciliation of notional schedules? Please elaborate on the reasons for your response.
Q97. Do you agree with the proposed approach for reconciliation of venues and the clarification in case of SIs? Please elaborate on the reasons for your response.
Q98. What other aspects need to be considered with regards to the aforementioned approach to rejection feedback? Please detail the reasons for your response.
Q99. Do you agree with the approach outlined above with regards to the missing valuations report? Are there any other aspects that need to be considered? Please detail the reasons for your response.

Q100. Do you agree with the approach outlined above with regards to the missing margin information report? Are there any other aspects that need to be considered? Please detail the reasons for your response.

Q101. Do you agree with the approach outlined above with regards to the detection of abnormal values and the corresponding end-of-day report? Are there any other aspects that need to be considered? Please detail the reasons for your response.

Q102. Is there any additional aspect related to the provision of reconciliation feedback by TRs that should be clarified? Please detail the reasons for your response.

Q103. Is there any additional aspect related to the rejection of reports with action type "Revive" by TRs that should be clarified? Please detail the reasons for your response.

Q104. Regarding the requirements in the RTS on registration, as amended, and the RTS on data access, as amended, do you need any further specifications and/or clarification?

Q105. Are there any specific aspects related to the access to data based on UPI that need to be clarified? Please detail which ones.

Q106. What access rights would you like to be clarified and/or which access scenarios examples would you consider to be inserted in the guidelines? Please list them all, if appropriate.

Q107. Are there any aspects, or procedures you would like to be clarified? If yes, please describe in detail.

Q108. Is there any other information that should be provided by the entity listed in Article 81(3) EMIR to facilitate the swift and timely establishment of access to data?