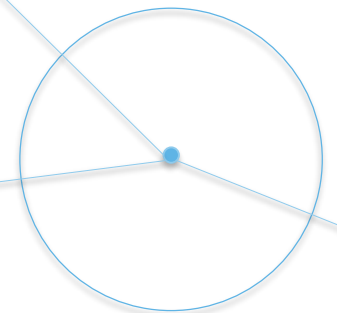
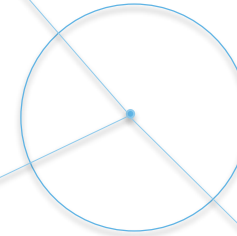
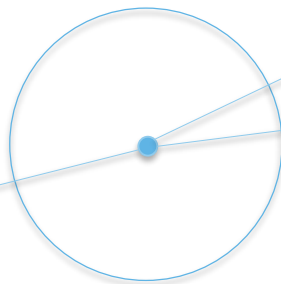




**REGIS-TR**

EUROPEAN TRADE REPOSITORY

# EMIR Revised Technical standards



# Overview on Revised Technical Standards

## Article 9 EMIR Article 81 EMIR

- Applicable Technical Standards (RTS and ITS) drafted in 2012 and 2013
- Detection of deficiencies and limitations after application dates
- Guidance provided in Q&A to address deficiencies
- Revised RTS will move non-binding Q&A guidance into binding technical standards and include additional changes

## Revised EMIR RTS and ITS Article 9

- **Revised RTS for clarification and rule sets** regarding complex trades, cleared trades, collateral value, valuation of the contract and notional
- **Revised ITS for clarification and rule sets** regarding the use of LEI, buyer and seller determination, reporting of collateralisation, generation of UTI and introduction of contract types list
- Introduction of **new data fields** and **refined definition of existing ones** ; provision of **clarifications on formats**

## Revised EMIR RTS Article 81

- Establishment of **operational standards** for **TR data access**
- Establishment of **operational standards** for **data aggregation and comparison across TRs**
- E.g. standard format ISO 20022 format, standard frequency for accessing data, standard queries, secure connection and exchange

## EMIR – MIFID II

- Seeking alignment with MIFID II
- Common output format of TRs data, based on ISO 20022
- More outcome expected by the Harmonisation CPMI-IOSCO OTCD working group

## Estimated Timeline for Revised EMIR RTS on reporting under Article 9 of EMIR



- On 13 November 2015 ESMA submitted to the European Commission the draft revised RTS and ITS on reporting under Article 9 of EMIR
- Approval from the European Commission is still pending
- Once approved, it will be published in the Official Journal of the European Union
- The Regulation enters into force in the 20th day following publication and shall be applied 9 months after its entry into force.
- Estimated implementation in Production – Q2 2017, exact date will be determined by the day of publication in the Official Journal of the European Union

# Article 9 – Clarifications and new rule sets

Implementation of **new rule sets assisting firms in completing their reporting** :

Technical Standards	<b>Contract Valuation</b>	<ul style="list-style-type: none"> <li>▪ Use of <b>CCP's settlement price</b> for cleared trades</li> <li>▪ Application of commonly used market approach, "<b>faire values</b>", for non-cleared trades, in accordance with the methodology defined in International Financial Reporting Standard 13 Fair Value Measurement</li> </ul>
	<b>Redefinition of notional</b>	<ul style="list-style-type: none"> <li>▪ Redefinition based on type of derivative contract:</li> <li>▪ (1) For <i>swaps, futures, forwards</i>: the reference amount; (2) for <i>options</i>: strike price; (3) for <i>CfD &amp; commodity derivative designated in units</i>: resulting amount of the quantity at the relevant price set in the contract etc.</li> </ul>
	<b>Reporting of cleared trades</b>	<ul style="list-style-type: none"> <li>▪ Cleared trades should be reported as <b>new trades</b>. The original contract shall be reported as terminated</li> </ul>
	<b>Reporting of complex trades</b>	<ul style="list-style-type: none"> <li>▪ Complex trades shall be reported as <b>multiple derivative contracts</b></li> <li>▪ Introduction of new field: "<b>Complex trade component ID</b>" to identify all reports related to the same execution of a combination of financial instruments</li> </ul>

## Article 9 – Clarifications and new rule sets

Implementing Standards	<b>UTI generation</b>	<ul style="list-style-type: none"> <li>▪ In the absence of agreement <b>new criteria apply</b> for UTI generation</li> <li>▪ The CCP for centrally cleared trades, the trading venue in case of centrally executed but non centrally cleared trades, the trade confirmation platform for centrally confirmed by electronic means but not centrally cleared trades</li> <li>▪ For all others : always the counterparty highest in the hierarchy (FC, NFC+) and seller if same level</li> <li>▪ The counterparty generating the UTI, shall communicate the UTI to the other counterparty</li> </ul>
	<b>Buyer &amp; seller identification</b>	<ul style="list-style-type: none"> <li>▪ Set out <b>comprehensive rules</b> to determine whether a counterparty to the trade is a buyer or seller</li> </ul>
	<b>Product identification</b>	<ul style="list-style-type: none"> <li>▪ Removal of All from reporting standards and <b>replacement with ISIN</b></li> <li>▪ Implementation of new <b>CFI classification</b> in EMIR standards</li> </ul>
	<b>Use of LEI</b>	<ul style="list-style-type: none"> <li>▪ <b>Mandating LEI (ISO 17442)</b> for legal person identification (removal of IEs and BICs) for “Reporting Counterparty ID”; “Broker ID”, “Report submitting entity ID”, “Clearing member ID” and CCP</li> </ul>

# Article 9 – New data fields and values

The adaptation of existing fields and values as well as the introduction of new ones imply **changes in REGIS-TR’s database** :

## 1 New field “Level” for transaction and position reporting

- Introduction of new mandatory field "level" including new values to make a **distinction between transaction and position reporting**

<b>Level</b>	T = Trade P = Position
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- Changes the way of reporting transactions/positions (no longer valid to leave field “Venue” blank and populate “Compression” with “Y “ for this purpose)
- The field “ Compression “ will exclusively be used for portfolio compression
- Both records will be **received via R001**

## 2 New “Action type” values

Action type	N = New M= Modify E = Error C = Early termination <b>R = Correction</b> Z = Compression V = Valuation update <b>P = Position reporting</b>
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- “**R**” to correct/amend wrong values
- “**M**” use in case material terms of the contract have changed
- “**P**” allows to report ETD transactions and its compression (via R010) in **one single message**
- Current way of reporting ETD transactions will still be permitted

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## Article 9 – New data fields and values

To provide the competent authorities with complete information, reporting requirements for **credit derivatives** and **interest rate derivatives** has been substantially increased :

### 3 Additional fields inside the interest rate derivatives section

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- 14 newly added fields, of which **4 are existing REGIS-TR proprietary fields**
- Of those 4 fields, some have been **renamed**
- **8 new fields will be added** to the REGIS-TR reporting schema :
  - ✓ Multiplier of fixed rate payment frequency for leg 1 and 2
  - ✓ Multiplier of floating rate payment frequency for leg 1 and 2
  - ✓ Multiplier of floating rate reset frequency for leg 1 and 2
  - ✓ Multiplier of floating rate reference period for leg 1 and 2

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### 4 New fields for credit derivatives

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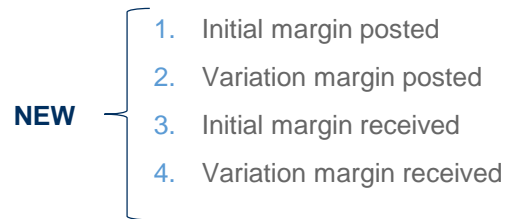
- A new section dedicated to credit derivatives to allow for **accurate description** of products within credit asset class
- **10 new fields:**
  1. “Seniority”
  2. “Reference entity”
  3. “Frequency of payment”
  4. “The calculation basis“
  5. “Series“
  6. “Version“
  7. “Index factor“
  8. “Tranche“
  9. “Attachment point“
  10. “Detachment point“

# Article 9 – New data fields and values

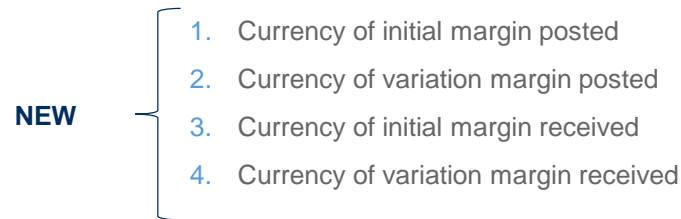
New fields related to **Collateral** and **Valuation** as well as new reporting rules are included in the new RTS/ITS:

## 5 New fields and erased fields in the context of collateral/valuation reporting

- Split of “**Value of collateral**” into:



- Split of “**Currency of value of collateral**” into:



- Introduction of additional fields to capture **excess collateral posted/ received**
- Valuation date and time have been merged in a **unique field called “Valuation timestamp”**



Fields can **only be reported in records with action type “V” = Valuation update**

No field related to collateral or valuation reporting may be contained in a record with action type “N” = New, any longer



# New RTS/ITS - High Level Impact Analysis

The “Other” category	Fields permitting negative values
<ul style="list-style-type: none"> <li>The “Other” category shall be <b>kept for the “Derivatives type” section</b> (Field 2.1, former “Product ID 2” and renamed as “Contract type”)</li> <li>The “Other” category <b>shall be removed for the “Asset Class” section</b> (Field 2.2, former “Product ID 1” and renamed as “Asset class”)</li> </ul>	<ul style="list-style-type: none"> <li>Value of Contract former “Mark to market value”</li> <li>Price /Rate</li> <li>Notional</li> <li>Up-front payment</li> <li>Fixed rate of leg 1</li> <li>Fixed rate of leg 2</li> <li>Exchange Rate 1</li> <li>Forward exchange rate</li> <li>Strike price</li> </ul>

New, erased and renamed fields	
<p><b>I. New fields among others:</b></p> <ul style="list-style-type: none"> <li>Type of ID of the other Counterparty</li> <li>Country of the other Counterparty</li> <li>Type of ID of the Beneficiary</li> <li>Product classification type</li> <li>Product classification</li> <li>Product identification type</li> <li>Product identification</li> <li>Complex trade component ID</li> <li>Load delivery intervals</li> <li>Days Of the Week</li> </ul> <p><b>II. Deprecated fields:</b></p> <ul style="list-style-type: none"> <li>Name and domicile of the Counterparty</li> <li>Contract with non- EEA counterparty</li> <li>Taxonomy</li> <li>Details of the Action Type</li> </ul>	<p><b>III. Fields which have been renamed:</b></p> <ul style="list-style-type: none"> <li>Reporting entity ID → Report submitting entity ID</li> <li>Valuation time &amp; Valuation date → Valuation timestamp</li> <li>Product ID 2 → Contract type</li> <li>Product ID 1 → Asset Class</li> <li>Underlying ID type → Underlying identification type</li> <li>Underlying → Underlying identification</li> <li>Notional amount → Notional</li> <li>Date of settlement → Settlement date</li> <li>Currency 2 → Deliverable currency 2</li> <li>Contract capacity → Delivery capacity</li> <li>Option style → Option exercise style</li> <li>Counterparty ID to Reporting Counterparty ID</li> <li>Corporate sector of the Counterparty to Corporate sector of the reporting Counterparty</li> <li>Financial or non-financial nature of the counterparty to Nature of the reporting counterparty</li> <li>Mark to market value of the contract to Value of contract</li> <li>Currency of Mark to market value of the contract to Currency of the value</li> </ul>

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