

Berlin, 18 September 2025

BDEW Bundesverband
der Energie- und
Wasserwirtschaft e.V.
(German Association of Energy and
Water Industries)
BDEW Representation at the EU

Avenue de Cortenbergh 52
1000 Brussels
Belgium

www.bdew.de

Position Paper

Call for evidence – On a comprehensive approach for the simplification of financial transaction reporting

The German Association of Energy and Water Industries (BDEW), Berlin, represents over 1,900 companies. The range of members stretches from local and communal through regional and up to national and international businesses. It represents around 90 percent of the electricity production, over 60 percent of local and district heating supply, 90 percent of natural gas, over 90 percent of energy grid as well as 80 percent of drinking water extraction as well as around a third of wastewater disposal in Germany.

BDEW is registered in the German lobby register for the representation of interests vis-à-vis the German Bundestag and the Federal Government, as well as in the EU transparency register for the representation of interests vis-à-vis the EU institutions. When representing interests, it follows the recognised Code of Conduct pursuant to the first sentence of Section 5(3), of the German Lobby Register Act, the Code of Conduct attached to the Register of Interest Representatives (europa.eu) as well as the internal BDEW Compliance Guidelines to ensure its activities are professional and transparent at all times. National register entry: R000888. European register entry: 20457441380-38

Contents

1	Executive Summary	3
2	Introduction	4
3	Key issues related to multiple regulatory regimes with duplicative or inconsistent requirements	7
4	Identification of simplification options.....	9
4.1	Key principles for all options.....	9
4.2	Simplification options	10
5	High-level impact analysis based on available data.....	33
5.1	Overlap assessment (order of magnitude)	34
5.2	Dual sided reporting	34
6	Annexes	38
6.1	Annex I- Summary of questions.....	38

1 Executive Summary

Reasons for publication

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

Contents

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

Next Steps

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

2 Introduction

Background

1. When it comes to the regulatory requirements on financial transaction reporting, EU legislation includes three key reporting frameworks for financial markets: Markets in Financial Instruments Regulation (MiFIR) for transactions in financial instruments, European Market Infrastructure Regulation (EMIR) for derivatives transactions, and Securities Financing Transactions Regulation (SFTR).
2. These legal frameworks were developed in the aftermath of the 2008 financial crisis. As such, each serves a specific purpose, and their implementation followed different timelines. However, taken together, and despite the efforts to avoid it, the resulting requirements impose significant costs on reporting entities, including inconsistent and duplicative reporting.
3. EMIR (applied since 2012 aimed to enhance transparency in Over-the-counter (OTC) derivatives markets and reduce risks to financial stability by mandating their reporting to Trade Repositories (TRs , as proposed by the European Commission (EC and agreed at the international level. During negotiations, the scope of EMIR was expanded to include Exchange-Traded Derivatives (ETD , which were already subject to reporting under the MiFID), creating an initial overlap. The introduction of MiFID II (in application since 2014 and MiFIR (applicable since 2018 further increased this overlap by imposing comprehensive transaction reporting requirements for a significant part of OTC derivatives transactions to National Competent Authorities (NCA , unlike EMIR, MiFIR also includes a separate daily reporting for trading venues to feed the reference data relating to these derivatives. Subsequent developments, including EMIR Refit in 2019, which introduced further changes to ensure international alignment and the ongoing MiFIR Review, which further broadened the scope of OTC derivatives subject to transaction reporting, exacerbated the duplication of reporting obligations between EMIR and MiFIR regimes posing challenges for compliance and regulatory coherence (see high level impact analysis in section 5 for quantitative analysis of the overlap)
4. In parallel, additional sectorial regulation, with requirements on reporting, became applicable: REMIT (2011 , Securitisation¹⁰ (2019 and SFTR (2020).
5. Transaction reporting is one of the costliest areas in the financial sector as identified in the Commission's fitness check for supervisory reporting, and it creates significant costs for authorities as well. A 2019 study estimated the costs to the industry of MiFIR, EMIR and SFTR reporting taken together to be in the range of EUR 1 - 4 billion per year.
6. Based on feedback received from market participants during the reviews of the L2 reporting technical standards related to these reporting frameworks, ESMA concluded that the most significant burden stemming from these reporting obligations originates from the siloed sectorial

approach in the respective frameworks, which led to overlaps and misalignments. While ESMA strived to ensure the best possible alignment of reporting obligations across all the regimes, the issues related to duplicative obligations and inefficient processes stemming from the siloed approach to rulemaking could not be addressed.

Ongoing initiatives

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

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

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

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

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

Objectives and scope of this consultation

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

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

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

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

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

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

17. In this call for evidence, we have identified the main challenges associated with overlapping or inconsistent requirements across major transaction reporting frameworks. Below, we outline the most relevant issues highlighted by stakeholders so far.

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

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

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

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

Different terminology and definitions within different reporting regimes

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

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

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

Dual-sided reporting obligation under EMIR and SFTR

21. This requires both parties to the trade to report largely the same data. This duplication of effort is resource-intensive and can lead to additional burden due to the need to implement reconciliation mechanisms. This certainly has great advantages in terms of data quality, but in the context of this review, we need to assess whether this requirement, which is unique to the EU, is still appropriate²⁷ or whether improvements can be made to ensure the quality and scope of data reported, without the need for dual reporting.

Intragroup derivative reporting

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

Reference data reporting duplications

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

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

24. Reporting under MiFIR, EMIR, SFTR and REMIT follows different reporting channels and logic. This creates inefficiencies, increases costs for market participants and authorities, due to multiple and inconsistent systems, affecting in particular cross border firms.

25. For example, under MiFIR, investment firms and trading venues are required to submit detailed transaction reports to their NCAs, which are then forwarded to ESMA. On the other hand, under EMIR and SFTR transactions are reported to Trade Repositories²⁸, with broad access rights to the data for a wide range of stakeholders, including NCAs and ACER, and for REMIT transactions are reported to ACER.

Duplication of IT systems and processes

26. Having two reporting regimes to report ETDs and OTC Derivatives, means that both market participants and authorities need different IT systems to produce, process, validate and analyse the data for these reporting flows. Data quality must be reviewed independently, and

efforts to improve that quality lack synergies between the two reporting frameworks. Additionally, there are ongoing IT costs associated with maintaining two parallel reporting frameworks, such as databases, data collection, storage, IT maintenance, support and training.

Q1. Do stakeholders agree with the description of the key challenges outlined above? Is there any other issue linked to multiple regulatory regimes with duplicative or inconsistent requirements that is not reflected in this section? Out of the 9 sources of costs identified in this section and the ones that you may add, what are the three main cost drivers in your view?

› **Answer 1:** We agree with the key challenges identified in the consultation, particularly the fragmentation of reporting frameworks and the frequent regulatory changes without coordination across regimes. From an energy sector perspective, the following are the three main cost drivers:

- Multiple reporting obligations, especially for derivatives under both EMIR and MiFIR, often leading to costly parallel IT infrastructures.
- Lack of data standardisation and harmonisation
- Dual-sided reporting under EMIR, which is operationally burdensome for non-financial counterparties and adds complexity without proportional supervisory value.

4 Identification of simplification options

4.1 Key principles for all options

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

1. Preserve Information Scope.
2. Decrease overlaps to reduce reporting burden.
3. Ensure global alignment.
4. Balance Cost and Benefit.

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

- These costs of transitioning to the simplification option will need to be duly assessed. ESMA is not able to assess the costs market participants will sustain to adapt some existing IT system to transition to the simplification option, therefore specific questions on the transition cost have been included.
- Transition costs will then need to be weighed against the gains that the simplification option will bring once implemented. The more comprehensive the option the longer it will take to fully appreciate the gains so these will need to be evaluated over a long-term horizon.
- ESMA has attempted to calculate gains based on data available to us - see section 5- but inputs from respondents to this call for evidence are needed to properly assess the impact of the proposed changes.

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

- › **Answer:** In general we support the four simplification principles proposed by ESMA: preserving information scope, reducing overlaps, ensuring global alignment, and balancing cost and benefit. We propose adding a fifth principle: “Sector specific simplification“, recognising the unique characteristics and lower systemic risk of non-financial counterparties, especially in the energy sector.

Furthermore we propose to restrict the information needed by authorities related to financial counterparties, all information related to non-financial counterparties is not a priority for performing supervisory tasks (like monitoring systemic risks to financial stability or detecting and identifying market abuse cases).

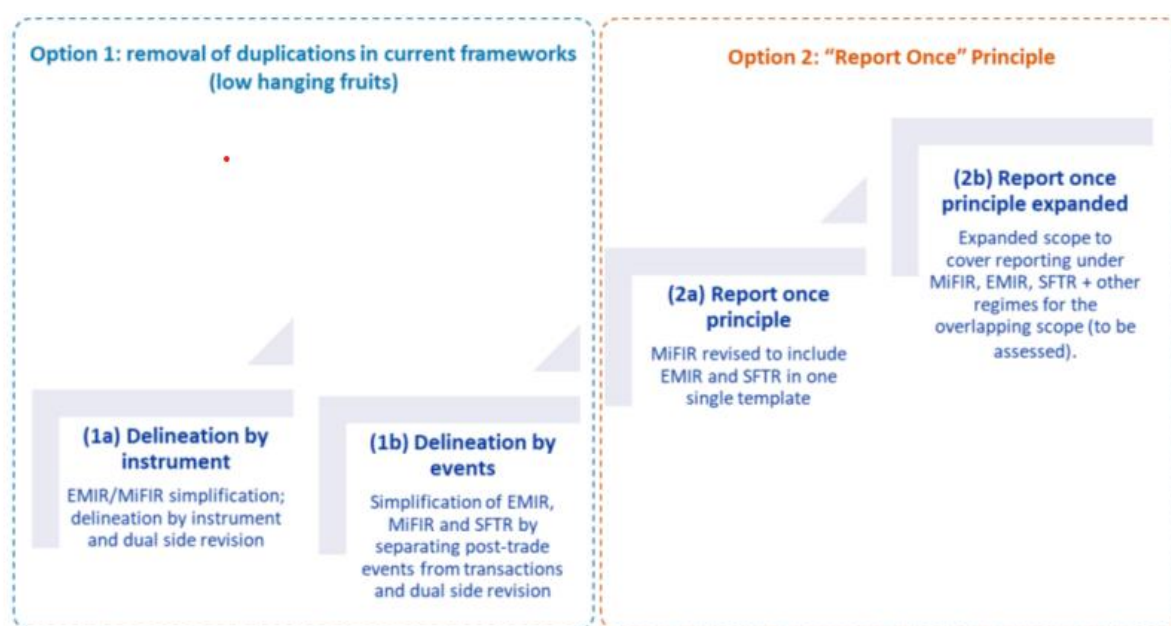
4.2 Simplification options

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

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

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

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



SIMPLIFICATION OPTIONS

Option 1: Removal of duplication in current frameworks

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

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

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

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

Option 1a: Delineation by instrument

36. Option 1a proposes a delineation based on the instrument. In this scenario, MiFIR would exclusively cover the reporting of ETD transactions, the concept of ETD is based on the EMIR definition and covers all derivatives executed on Regulated Markets (for more information on the definition of ETD/OTC in EMIR, see Section 2). It is important to highlight that the EU31 is the only jurisdiction that requires ETD reporting to trade repositories. While OTC derivatives transactions and linked post-trade events would be reported to trade repositories under EMIR. Possible inconsistencies in the definitions would also be solved, the introduction of a data dictionary for this purpose would be considered.

Description	EMIR/MiFIR delineation by instrument and dual sided revision
Key components	Delineation in terms of instruments : <ol style="list-style-type: none"> 1. MiFIR: ETD (Transactions). 2. EMIR: OTC (including Post-trade events and transactions). 3. ETD Post-trade events. i.e. valuation/margins will need to be sourced from the CCPs and ETD and OTC positions to be calculated based on transaction data. 4. Revision of dual sided reporting in accordance with global alignment principle.
L1 Regulation in scope	MiFIR, EMIR

PROS	<ul style="list-style-type: none"> ➤ Immediate reduction of reporting burden for market participants due to removed overlapping reporting obligations and dual-sided reporting. ➤ Lower costs in the short term compared to other options given no fundamental changes to reporting infrastructures. ➤ Global alignment.
CONS	<ul style="list-style-type: none"> ➤ Limited review. Continue to have multiple derivatives reporting regimes in place. ➤ The reduction in costs in the long term is not as significant as in the other options. ➤ Information scope principle triggers the need to adapt EMIR template to cover data points relevant for market abuse surveillance, based on data use e.g. as a minimum the identifiers for the person making the investment/execution decision, buyer/sellers that are natural persons and, possibly, the ultimate client/beneficiary. ➤ Additional data points relevant for market abuse surveillance in EMIR creates costs that should be considered as part of the transition costs. ➤ Additional complexity to monitor systemic risks to financial stability. ➤ Dual-side reporting removal may require other supervisory measures, e.g. auditing measures.

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

- › **Answer:** Option 1a offers clear advantages by assigning ETDs exclusively to MiFIR and OTC derivatives to EMIR, thereby creating a straightforward and efficient reporting structure. It **eliminates the need to report ETDs under both EMIR and MiFIR**, directly addressing the duplication of derivative reporting highlighted in Section 3. This approach **simplifies compliance** for firms active in both OTC and exchange-traded markets, particularly for energy companies that rely on ETDs for hedging and OTC instruments for tailored risk management.

Additionally, Option 1a ensures **better global alignment**, reflecting international practices such as those of the CFTC in the United States and ASIC in Australia, where ETDs are typically reported once through market transaction data rather than to trade repositories. This shift mitigates the **inefficiency and fragmentation** described in Section 3 and moves the EU toward a more harmonised and simplified framework.

Another key benefit is the **simplification of IT systems and the reduction of maintenance burdens**. Firms would no longer need to operate parallel reporting infrastructures for the same ETD trades across two regimes, which directly addresses the **duplication of IT systems and processes** identified in Section 3. This leads to lower ongoing operational costs

and eases compliance obligations, particularly for smaller non-financial counterparties in the energy sector.

Finally, Option 1a contributes to **improved data quality and usability**. By consolidating ETD reporting under a single regime, it allows for consistent templates and definitions, thereby tackling the **issue of inconsistent terminology and data standards**. Supervisory authorities benefit from receiving cleaner, non-duplicated datasets, which enhance both market surveillance and systemic risk monitoring.

Overall, Option 1a directly addresses at least four of the nine cost drivers outlined in section 3, producing immediate efficiency gains for market participants and authorities.

While Option 1a contains several advantages that could deliver short-term improvements, it will not resolve all of the structural problems with reporting regimes in general.

Q4. What are the key limitations and potential risks of Option 1a? For example, do you consider the adaptation of the EMIR template to cover the data points used for market abuse surveillance as meeting the general objective of reducing the reporting burden, and why?

- › **Answer:** Option 1a involves several limitations and potential risks that need to be considered alongside its benefits. **Adapting EMIR templates to include data points currently required for market abuse surveillance under MiFIR could significantly increase complexity.** These risks diluting the intended simplification and may result in template bloat rather than streamlined reporting, which would conflict with the overall burden-reduction objective

Depending on the exact delineation and determination of the reporting scope (e.g., non-financial counterparties trading on a third-country venue involving third-country central counterparties and/or third-country direct clearing members), non-financial counterparties currently not in scope of MiFIR may be required to establish a MiFIR reporting solution that is not currently applicable. For example, the obligation to report transactions under Article 26 MiFIR applies only to financial counterparties, not to non-financial counterparties.

Extending the MiFIR scope to non-financial counterparties would therefore constitute a clear **showstopper**. We strongly recommend revoking any reporting obligations for derivatives under MiFIR, as these requirements can be effectively subsumed into the existing single-sided EMIR Article 9 reporting framework with the addition of certain data elements. Moreover, there is no added value in the proposed option, since it would still require the

maintenance of three separate reporting regimes, namely MiFIR ETD reporting, EMIR OTC reporting, and EMIR OTC reporting for IFEU transactions.

A further challenge lies in **regulatory and legal uncertainty**. Reassigning reporting obligations between MiFIR and EMIR requires **Level 1 legislative changes**, which, according to ESMA, could take **up to five years** to implement. During this period, transitional uncertainty may arise, as inconsistent timelines and phased implementations across jurisdictions could temporarily **exacerbate the lack of synchronisation** highlighted in Section 3 of the consultation.

Finally, Option 1a entails a **short-term cost impact**. While it promises to reduce duplication and IT complexity in the long run, its implementation will require **significant IT adaptations, system testing, and staff training**, all of which add to transition costs. These short-term efforts directly reflect the **implementation burden and IT duplication issues** discussed in Section 3, even if they are only temporary.

Q5. What components are missing or not adequately addressed in Option 1a? Why are these elements important, and how might their inclusion change the evaluation or implementation of Option 1a?

- › **Answer:** While Option 1a provides a strong basis for reducing duplication and aligning reporting responsibilities, several key components are currently missing or not adequately addressed. **First, the option lacks a centralised and standardised data dictionary.** In Section 3, ESMA identified **inconsistent terminology and definitions** across EMIR, MiFIR, and SFTR as a major driver of reporting burden. Without a single, harmonised data dictionary, Option 1a risks perpetuating these inconsistencies, even if ETDs are reassigned solely to MiFIR.

Second, a phased implementation and transition plan is essential. As highlighted in the Key Issues, **frequent regulatory changes and unsynchronised timelines** significantly increase the compliance burden. A clear roadmap with defined co-existence periods for legacy and new reporting structures would reduce short-term operational pressure and mitigate the risk of fragmented adoption across jurisdictions.

Third, the option should explicitly address data access and supervisory visibility. Reassigning ETD reporting to MiFIR without a **robust framework for data access, validation, and sharing** could result in temporary **data gaps** for authorities such as ESMA or ACER,

undermining the dual purpose of market surveillance and systemic risk monitoring noted in Section 3.

Incorporating these elements—**a harmonised data dictionary, a structured transition roadmap, and a clear access framework for supervisory authorities**—would significantly strengthen Option 1a. It would ensure that the simplification effort not only reduces duplication but also tackles the **root causes of inefficiency and fragmentation** described in Section 3.

Option 1b: Delineation by events

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

Description	EMIR/MiFIR/SFTR delineation by event and dual sided revision
Key components	Delineation in terms of events : <ol style="list-style-type: none"> 1. MiFIR: Transactions (OTC and ETD). 2. EMIR: Post-trade events of derivatives (OTC and ETD), that would not fall under MiFIR (update of end-of day positions³², including post-trade novations, risk reduction measures, margins and valuations). 3. SFTR to be integrated under MiFIR and EMIR (for post-trade events). Revision of dual sided reporting in accordance with global alignment principle.
L1 Regulation in scope	MiFIR, EMIR, SFTR
PROS	<ul style="list-style-type: none"> ➤ Reduction of reporting burden for market participants due to removed overlapping reporting obligations. ➤ Lower costs in the short term compared to other options given no fundamental changes to reporting channels.
CONS	<ul style="list-style-type: none"> ➤ Implementation cost higher than option 1a. ➤ The reduction in costs in the long term is not as big as under option 2. ➤ Difficulty to monitor the integrity of the EMIR data³³. ➤ Limited reporting under EMIR/SFTR, which calls into question the whole reporting flow. ➤ Data gaps may arise for derivatives transactions between non-financial entities. ➤ Dual-side reporting removal may require other supervisory measures, e.g. auditing measures.

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

› **Answer:** We **do not agree with key advantages of option 1b** included in the ESMA document from a non-financial counterparty point of view not having implemented a full EMIR/MiFIR/SFTR (different IT systems not all able to produce, process, validate and submit the data under EMIR/MiFIR/SFTR) solution.

We therefore reject option 1b because this option 1b is not designed to reduce the burden associated with complying with financial regulatory reporting requirements for a non-financial counterparty.

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

- › **Answer:** A non-financial counterparty not having implemented a full EMIR/MiFIR/SFTR (different IT systems not all able to produce, process, validate and submit the data under EMIR/MiFIR/SFTR) solution has to reject option 1b because this option 1b is not designed to reduce the burden associated with complying with financial regulatory reporting requirements for a non-financial counterparty.

Q8. What components are missing or not adequately addressed in Option 1b? Why are these elements important, and how might their inclusion change the evaluation or implementation of Option 1b?

- › **Answer:** As mentioned, option 1b is not designed for the use case of non-financial counterparties, so we have nothing to add here.

Option 2: Report once principle

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

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

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

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

41. This option is the first step in the implementation of the "report once" principle, under which all instruments currently in scope of EMIR, SFTR and MiFIR are integrated under a single

template to be used for such reporting, and the related Level 1 legal texts would be harmonised/merged accordingly.

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

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

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

Description	MiFIR/EMIR/SFTR full integration
Key components	<ol style="list-style-type: none"> 1. “Report once” principle applied in full for instruments in scope of EMIR, SFTR and MiFIR. 2. MiFIR is expanded and adapted to also cover EMIR and SFTR requirements for derivative reporting (including EMIR/SFTR post-trade events). 3. Reporting is one sided and performed by financial entities and CCPs. 4. Positions are no longer reported but calculated from transaction-level information.
L1 Regulation in scope	MiFIR, EMIR, SFTR
PROS	<ul style="list-style-type: none"> ➤ Considerable reduction of reporting burden for market participants. ➤ Simplification of derivatives reporting rules for entities. ➤ Streamlined data access and sharing. ➤ Enhanced integration of analytical and risk monitoring activities. ➤ Targeted review focusing on the most-costly reporting regimes.
CONS	<ul style="list-style-type: none"> ➤ Implementation cost can be high and is higher than in options 1a and 1b. ➤ Data gaps may arise for derivatives transactions between non-financial entities. ➤ Dual-side reporting removal may require other supervisory measures, e.g. audits.

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

- › **Answer:** Option 2a applies the “**report once**” principle across all derivatives reporting regimes (MiFIR, EMIR, and SFTR), thereby offering a **comprehensive simplification** of regulatory reporting. By unifying reporting under a single framework, Option 2a delivers a **considerable reduction of the reporting burden** for market participants, as highlighted in the chart under **PROS**. Market participants would no longer need to maintain **parallel reporting flows** for ETD and OTC derivatives, nor replicate reporting for post-trade events across multiple regimes.

This approach leads to **significant simplification of derivatives reporting rules**, as a single reporting template would cover the full lifecycle of trades. It directly addresses several **Key Issues from Section 3**, such as **duplication of reporting obligations, fragmented reporting channels, and high IT maintenance costs**. In addition, the consolidation of reporting into one-sided submissions by financial entities and CCPs improves **data quality and usability**, supporting **streamlined data access and sharing** for NCAs, ESMA, and ACER.

Finally, Option 2a **enhances the integration of analytical and risk monitoring activities**. Supervisory authorities benefit from a unified dataset that reduces inconsistencies and reconciliation burdens, enabling **targeted oversight and risk management**. This aligns with the **consultation goal of meaningful burden reduction** while maintaining robust supervisory capabilities.

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

- › **Answer:** Despite its strong benefits, Option 2a carries **considerable limitations and risks**, particularly in terms of **implementation costs and transition complexity**. Implementation costs are **higher than under Options 1a and 1b**, as market participants will need to **re-design IT infrastructures, migrate data, and retrain staff** to comply with the new integrated model. For smaller non-financial counterparties, such as energy firms, these upfront costs could be **proportionally significant**. However, the proposed Option 2a does not provide any approach for dealing with transactions between NFCs and is therefore partly incomplete. In this context, the question of liability must also be addressed, particularly concerning the allocation of responsibilities under a one-sided reporting regime. Without clear

rules on liability, the intended simplification may create legal uncertainty and undermine the effectiveness of the model.

Q11. What components are missing or not adequately addressed in Option 2a? **Why are these elements important, and how might their inclusion change the evaluation or implementation of Option 2a?**

› **Answer:**

1. Structured transition and cost-management plan

Given the **high initial implementation costs** highlighted in the consultation and the chart, a **phased rollout with co-existence periods** for legacy and new systems is essential. This would mitigate operational and financial pressure on market participants, particularly smaller non-financial entities in the energy sector.

2. Centralised supervisory access and governance framework

A unified “report once” system requires **clear access rights, robust validation procedures, and harmonised data-sharing protocols** to prevent **temporary data gaps** and to ensure seamless oversight by ESMA, NCAs, and ACER. This directly addresses the **Key Issues of fragmented reporting channels and data quality risks**.

3. Harmonised data model and standardised lifecycle mapping

Option 2a lacks an explicit commitment to a **fully harmonised data model**, where all instruments, lifecycle events, and reporting fields are consistently defined and linked. Without this, there remains a risk of **inconsistent reporting and reconciliation challenges**, which undermines the very objective of the “report once” principle. Standardised lifecycle mapping is essential to ensure that trade execution and all subsequent events can be **tracked, validated, and analysed** across regimes.

4. The determination of Entity Responsible for Reporting (example: mandatory delegated reporting under **EMIR Article 9 refers to OTC derivative contracts** while some derivative contracts traded on a third country venue are classified as OTC derivative contract while some other derivative contracts traded on a third country venue are not classified as OTC derivative contract) is missing.

Incorporating these components would **reduce operational risk**, strengthen **supervisory integration**, and help realise the **long-term cost savings and efficiency gains** promised by Option 2a.

Option 2b: Report once principle expanded

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

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

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

Description	MiFIR / EMIR / SFTR + other regimes to be assessed
Key components	<ol style="list-style-type: none"> 1. "Report once" principle applied in full for MiFIR, EMIR, SFTR. 2. Additional L1 in scope outside ESMA remit to be assessed (e.g. REMIT, Solvency II)³⁴. 3. A single transaction reporting template is developed to cover overlapping reporting scopes under the selected frameworks.
L1 Regulation in scope	Transaction reporting under MiFIR, EMIR, SFTR and other identified overlapping requirements across sectors (e.g. REMIT).
PROS	<ul style="list-style-type: none"> ➤ The highest reduction of reporting burden for market participants due to removed overlapping and/or inconsistent reporting obligations. ➤ Report once principle applied in full. ➤ Simplification of reporting rules for entities. ➤ Streamlining data access and data sharing. ➤ Enhanced integration of analytical and risk monitoring activities for a wider set of authorities than in option 2a.
CONS	<ul style="list-style-type: none"> ➤ Very complex. ➤ Longer implementation time. ➤ Subject to more regular reviews linked to the underlying wider set of legislations. ➤ The highest implementation cost. ➤ Significant number of authorities affected. ➤ Very different purposes of the regimes. ➤ Difference in the instruments subject to the common reporting. ➤ Dual-side reporting removal may require other supervisory measures. e.g. audits. ➤ Information scope principle more at risk (due to the multiple regulations in scope and linked technical complexity).

Q12. What are the key advantages of Option 2b and how do these benefits address the issues in section 3? What regimes should be included in such an option beyond EMIR, MiFIR and SFTR?

- › **Answer:** Option 2b represents the **most ambitious implementation of the "report once" principle**, extending the integration beyond MiFIR, EMIR, and SFTR to other overlapping regimes, such as **REMIT or Solvency II**. This approach offers **the highest potential reduction of reporting burdens**, as all duplicative or inconsistent reporting obligations across sectors

are eliminated. Market participants, especially in the energy sector, would benefit from **one single, unified reporting template**, which drastically simplifies internal workflows and compliance processes.

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

- › **Answer:** Option 2b also entails **significant limitations and risks**, primarily due to its **complexity and scale**. As reflected in the Schaubild under **CONS**, it has the **highest implementation cost** of all options and requires the **longest implementation timeline**, potentially **five to seven years or more**, depending on the alignment of various sectoral regulations.

Key risks include:

- **Coordination challenges** among a **wide range of authorities** with different mandates, purposes, and data needs,
- **Increased likelihood of transitional data gaps**, as more regimes are integrated into a single reporting template,
- **Greater vulnerability of the “information scope” principle**, because covering multiple regulations increases technical and legal complexity.
- **reclassification of instruments** (e.g., maintain REMIT C.6 carve-out)
- **market entry barrier creation:** Increased reporting requirements for industrial companies that would be comparable to those for financial companies would indirectly lead to a barrier to market entry for small and medium-sized non-financial companies.
- **Reporting entities** that previously had to report less data (e.g. under REMIT) will most likely have to report significantly more fields as a result of harmonisation.
- **Harmonisation**, where the number of data fields for the respective regulation increases (e.g. in REMIT, which has the fewest data fields in comparison), would lead to permanently higher IT costs. Investments would have to be made in the missing infrastructure and additional expertise, especially in non-financial companies.

Q14. What components are missing or not adequately addressed in Option 2b? Why are these elements important, and how might their inclusion change the evaluation or implementation of Option 2b?

- › **Answer:** To ensure that Option 2b is **feasible and sustainable**, several critical components need to be included or further developed:

Sector-by-sector phased implementation roadmap

- Given the **very different purposes of the regimes** (e.g., systemic risk under EMIR vs. market integrity under REMIT), a **staggered rollout** with clearly defined milestones is essential to manage cost, complexity, and risk.

Comprehensive governance and coordination framework

- A **multi-authority supervisory council or coordination body** should oversee the rollout and operation of the integrated reporting model, ensuring that **data access and validation** remain consistent and that all authorities can fulfil their mandates without compromise.

Harmonised data model and cross-sector lifecycle mapping

- A fully **standardised data model** with **cross-sector lifecycle mapping** is crucial to avoid **data fragmentation**. This is even more important in Option 2b, where instruments and reporting requirements from energy, finance, and insurance sectors are combined.

Robust cost and transition management plan

- Due to the **highest implementation costs** clear **funding, co-existence periods, and industry testing phases** are required to prevent disproportionate burden on smaller non-financial entities.

Incorporating these components would **mitigate operational and supervisory risks**, ensure **data integrity**, and allow the full benefits of the **report once principle** to materialise over the long term.

Option prioritisation

Q15. Which of the two main options (1. "Removal of duplication in current frameworks" or 2. "Report Once") and related sub-options identified do you believe should be prioritised, and why?

› **Answer:** From the perspective of energy-sector stakeholders and non-financial counterparties, **Option 1 should be prioritised in the short term**, while **Option 2 serves as a longer-term strategic goal**.

Option 1, particularly **Option 1a (instrument-based delineation)**, offers **quick wins** by eliminating the most burdensome duplications between EMIR and MiFIR without requiring full legal or IT overhauls. This directly addresses the **Key Issues of duplicative reporting, IT system duplication, and high operational burden** highlighted in Section 3. Implementation within a **medium-term horizon (up to five years)** is realistic and would yield early relief for market participants.

Option 2 (both 2a and 2b) represents the **comprehensive vision** for the EU's "report once" approach. Its **long-term benefits** are clear—maximal simplification, unified supervision, and significant efficiency gains—but the **high cost and complexity** of full integration mean that it is better positioned as a **phased follow-up to Option 1**. This approach also limits the risk of transitional **data gaps** and **unsynchronised timelines**.

At the same time, we explicitly welcome the quick wins that can be achieved under Option 1a and see Option 2a as a potential long-term objective. However, before moving towards Option 2a, important details must be clarified to ensure feasibility and proportionality. ESMA should therefore first deliver and consolidate the near-term improvements, and only then define and communicate clear targets for the next stage, outlining what should be achieved in the future and by which steps.

Q16. Are there any additional options that should be considered on top of option 1 and 2? For example, do you identify other potential intermediate solutions, combinations of elements from the identified options, or phased approaches? If so, what are their main characteristics, the reasons for considering them, and the key advantages they would bring?

› **Answer:** Yes, additional options or **phased hybrid approaches** should be considered to balance **feasibility, cost, and supervisory integrity**. A recommended hybrid strategy could involve **three phases**:

Phase 1: Immediate simplification (Option 1a)

- Remove duplicate ETD/OTC reporting between EMIR and MiFIR.
- Implement a **harmonised data model incl. aligned definitions** and basic cross-regime linkage, addressing the **Key Issues of data inconsistency and duplication**.

Phase 2: Targeted integration (Option 2a-lite)

- Pilot the **report once principle** for high-volume and high-risk products (e.g., energy and commodity derivatives) to **test IT systems, supervisory access, and validation frameworks**.
- Include **co-existence periods** to allow parallel operation of legacy reporting where needed.

Phase 3: Full or extended integration (Option 2a or 2b)

- After successful pilots and impact assessment, expand to full MiFIR/EMIR/SFTR integration, and potentially include **REMIT or other regimes**.
- Introduce **centralised data governance**, sector-specific lifecycle mapping, and optional **direct reporting to ESMA**.

This **phased hybrid model** achieves the **early cost savings and burden reduction** of Option 1 while creating a **controlled pathway toward the “report once” objective** of Option 2. It directly mitigates **frequent regulatory changes, unsynchronised timelines, and IT duplication**.

Additional cost reduction considerations

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

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

Q17. Should the reporting channels, and flows be modified to ensure consistent reporting, and if so, how? Under which option/s do you consider these changes should be implemented?

- › **Answer:** We support a **measured modification of reporting channels** to achieve consistent, streamlined reporting across MiFIR, EMIR, and SFTR. Simplification should focus on **reducing redundant submission layers** without creating additional transition complexity.

A feasible approach is to **centralise reporting flows via a single primary channel**, which would then distribute validated data to all competent authorities. This aligns with prior positions of energy-sector associations emphasizing that “**report once, distribute many**” models provide both regulatory efficiency and cost savings for reporting entities.

Such a model would **reduce IT duplication, avoid multi-interface complexity, and improve data integrity**. However, any changes should follow a **phased rollout**, ensuring that reporting members—especially non-financial counterparties in the energy sector—can adapt without disproportionate effort or resource strain.

Q18. In this regard, and based on the current order book requirements for trading venues and the availability of information, what are the advantages and disadvantages of transferring the reporting of on-venue transactions under MiFIR and EMIR to trading venues?

- › **Answer:** Transferring the reporting of **on-venue transactions** under MiFIR and EMIR to trading venues can deliver **clear efficiency gains**. Trading venues already capture high-quality, near-real-time trade data, making them well positioned to **ensure consistency and timeliness** of regulatory submissions.

We have previously emphasized that **leveraging existing venue infrastructure** is a pragmatic step towards streamlining. Benefits include:

- **Reduced operational burden** for market participants, as fewer direct reports are needed,
- **Improved data quality**, since execution data originates at the source,
- **Enhanced automation** of end-to-end reporting flows.

Disadvantages include:

- **post-trade events:** transferring the reporting of on-venue transactions under MiFIR and EMIR to trading venues requires trading venues having necessary data for all scenarios of post-trade events (high-level impact analysis not sufficient to verify this option)

- **third country trading venues:** transferring the reporting of on-venue transactions under MiFIR and EMIR to third country trading venues requires third country trading venues being subject to EU legislation and supervision (mitigation for EU non-financial counterparties via waterfall approach referring to central counterparties and/or direct clearing members)

However, a **voluntary or phased adoption model** is recommended. Smaller venues and market participants may need **time and guidance** to ensure that venue-based reporting fully aligns with harmonised data models and lifecycle tracking requirements.

Q19. Additionally, what are your views on enhancing ESMA role as data hub by developing a framework where entities would report consistent and harmonised data directly to ESMA? Should this option consider direct reporting to ESMA coupled with EU and national authorities' access to the centrally held data, eliminating multiple submissions?

- › **Answer:** Energy-sector associations have repeatedly underlined that centralisation should **not increase the compliance burden** for non-financial participants. Clear **data access governance, robust validation procedures, and phased testing** are therefore essential to ensure that a central ESMA hub enhances transparency **without disrupting existing operational processes**.

The reporting channels and flows should ensure consistent reporting to a trade repository (without enhancing ESMA role as data hub by developing a framework where entities would report consistent and harmonized data directly to ESMA) under all options in order to achieve simplification and burden reduction while focusing ESMA's duties on performing supervision and facilitating market discipline.

Q20. In the case of centralisation of reporting, please expand on the advantages and disadvantages as well as the implementation challenges and opportunities? Under this scenario, what additional elements should be considered (i.e. operational aspect, technical implementation, etc.)

- › **Answer:** Full or partial **centralisation of reporting** offers significant advantages for both market participants and supervisors. It **reduces IT complexity, minimises duplicate submissions**, and **supports higher data quality through unified validation processes**. From the

industry perspective, centralisation also provides a **clearer compliance framework**, making internal workflows more predictable and auditable.

Potential disadvantages include **high initial implementation costs**, the need for **robust cybersecurity and governance**, and the risk of **temporary operational bottlenecks** during transition. We have consistently advocated for **gradual, sector-aware implementation**, noting that non-financial counterparties—particularly in energy—require **sufficient lead time and co-existence periods** to adapt systems without disrupting core business operations.

For successful implementation, the following elements are critical:

- **Clear supervisory governance** defining roles and responsibilities across EU and national authorities,
- **Harmonised data models and lifecycle mapping** to ensure data consistency,

This approach aligns with the **industry's preference for pragmatic streamlining**, balancing burden reduction with operational stability and regulatory integrity.

50. There could also be other ways to address the “report once” principle from a technological perspective. With reference to level 3 (end to end reporting system or 4 (end to end trading system as described in the COM published PoC on “Assessing the feasibility of machine-readable and executable reporting for EMIR”³⁵ and ESMA studies on reporting under the DLT Pilot regime³⁶ the use of DLT (or comparable technologies to provide “reports” could be envisaged and further explored.

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

› **Answer:** The adoption of **modern technologies** such as **distributed ledger technology (DLT)**, **application programming interfaces (APIs)**, and **cloud-native reporting solutions** can significantly enhance the efficiency and reliability of transaction reporting.

We have consistently supported **technology-driven streamlining**, underlining three key benefits:

- **Real-time or near-real-time reporting**, reducing the lag between trade execution and supervisory visibility,

- **Automated validation and reconciliation**, leveraging smart contracts or integrated API connections to reduce errors,
- **Improved auditability and security**, as DLT or permissioned ledgers provide immutable records and clear event chains.

However, the **implementation of new technologies must be proportionate**. Non-financial counterparties and smaller market participants require **optional adoption pathways** and **interoperable solutions**, ensuring that innovation does not impose disproportionate costs or technical burdens.

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

Q22. Where do you think the cost associated with dual sided reporting is generated? What would be the cost impact of removing dual-sided reporting (e.g. substituting reconciliation requirements with other measures such as audits against internal record systems as required in the U.S. or increase interaction among counterparties and NCAs)? Do you consider that dual sided reporting may reduce the ability of reporting entities to fully control the data submitted to authorities? Do you consider that the reporting should be strictly from one side?

› **Answer:** Removing dual-sided reporting could have these effects:

- The reporting entity must be fully responsible for the accuracy of the data, with potentially increased audit requirements (unless already in place, e.g., for FCs).
- Between FCs, there will likely be hardly any impact, as they will continue to maintain appropriate reporting channels for cases where they themselves are the reporting entity.
- In general, however, the need for reconciliation would be eliminated.
- Authorities would be spared from investigating mismatches.
- The transfer of reporting obligations would, in principle, likely be governed by individual contractual arrangements.
- Slightly increased audit requirements for the reporting entity could also ensure data consistency; the potential for errors would be reduced.

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

Q23. Would you consider the modification of reporting frequency useful under the general objective of reducing the reporting burden, and why? What would be the specific proposals in this regard?

› **Answer:** Aligning reporting **frequency** with actual **risk and market needs** is a key element of simplification. We have previously stressed that **daily, highly granular reporting** is unnecessary for non-systemically relevant actors in the energy sector, particularly for **hedging trades and low-volume activity**.

Proposed adjustments include:

- **Risk-based reporting frequency**, where systemic institutions maintain daily reporting while non-financial counterparties could report **less frequently**,
- **Event-driven reporting** for post-trade updates rather than mandatory daily submissions for all lifecycle events,
- **Batch processing windows** to reduce operational stress and IT load, while still meeting supervisory needs.

Such changes would directly reduce **operational costs and reconciliation efforts**, aligning with industry calls for **proportionality and burden reduction**.

Effective **standardisation of reporting fields, formats, and lifecycle events** is essential to unlock cost savings and improve data quality. In prior consultations, we repeatedly highlighted that fragmented definitions and divergent templates remain **major cost drivers**. Key measures for improvement include:

- A **harmonised reporting framework** with **uniform field definitions and identifiers (UTIs, UPIs)**,
- **Standardised lifecycle event taxonomy**, ensuring that trade updates, margin calls, and novations are **consistently captured**,

Such standardisation reduces **IT complexity, reconciliation costs, and misreporting risks**, thereby delivering meaningful long-term savings.

Q24. Proportionality measures: How do you consider proportionality can be taken into account in the context of burden reduction in regulatory reporting? What specific measures would you propose and how would you quantify their impact?

› **Answer:** Proportionality is a **cornerstone of effective regulatory simplification** and has been **consistently emphasized** by us in previous consultations. Non-financial counterparties, particularly in the energy sector, carry **low systemic risk** and should not be subjected to reporting requirements designed primarily for large financial institutions. A meaningful simplification framework should therefore align the **scope and complexity of reporting obligations** with the **actual risk profile and market role** of the reporting entity.

Applying proportionality in practice means that smaller or non-systemically important entities should face a **reduced reporting burden** compared to banks or investment firms. This can be achieved by simplifying templates, reducing the number of reporting fields, and allowing for longer implementation timelines and co-existence periods during regulatory transitions. Non-financial participants should also have the flexibility to rely on intermediaries, such as clearing service providers, to fulfill highly technical obligations when appropriate.

By tailoring the reporting framework to reflect the **risk contribution and market function** of each segment, proportionality not only ensures **fair cost allocation**, but also **enhances overall reporting quality**. When market participants are not overburdened with disproportionate requirements, they can dedicate their resources to producing accurate, reliable, and timely data, which ultimately benefits supervisors and supports the EU's market transparency objectives.

5 High-level impact analysis based on available data

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

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

5.1 Overlap assessment (order of magnitude)

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

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

57. In addition to those, ESMA considered the additional transactions in derivative instruments that are expected to be covered by the extended scope of MiFIR following the review, which amounted to **1.2 million** additional transactions. These are the transactions executed outside a trading venue that meet the conditions of the revised Article 8(a) of MiFIR:

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

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

5.2 Dual sided reporting

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

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

Q25. Question for reporting entities under EMIR: What is the one-off cost of implementing EMIR requirements to date? This cost should include all cost lines, such as familiarisation with obligations, staff recruitment, training, legal advice, consultancy fees, project management and investment/updating in IT. Do you identify any other relevant one-off cost line?

› **Answer:** We recognise that the implementation of EMIR requirements has involved **significant one-off costs**, especially during the initial rollout and the EMIR Refit phases. These costs include the **familiarisation with regulatory obligations, staff recruitment and training, engagement of legal and consulting support, project management, and extensive IT development or upgrades**. Many entities, particularly non-financial participants in the energy sector, also incurred costs for integrating trade repositories and establishing internal reconciliation processes.

Beyond these core areas, other relevant one-off costs arose from the **customisation of internal risk and reporting systems**, alignment of trade capture and confirmation processes, and the development of audit and validation tools to ensure compliance. Together, these investments were essential to meet the initial reporting requirements but represented a **substantial financial and operational commitment** for market participants.

Q26. Question for reporting entities under EMIR: What is your estimated average cost per transaction (on-going cost) to comply with the reporting requirements under EMIR? This cost should include not only the fees associated with reporting through Trade Repositories (which usually includes data collection and information storage) but also the total cost, including any other cost lines, such as, IT maintenance and support, training, data processing and audit fees. Do you identify any other relevant ongoing cost line?

› **Answer:** Ongoing compliance with EMIR reporting requirements involves a **continuous cost burden**. The main drivers include **fees to trade repositories, IT system maintenance and upgrades, data validation and processing, staff training, and internal or external audit activities**.

For non-financial participants, these costs can be **disproportionate to their systemic relevance**, as maintaining dual-sided reporting and performing regular reconciliation requires **dedicated resources and recurring expenditures**. Any additional obligations, such as

implementing new technical standards or adjusting to frequent regulatory changes, further contribute to ongoing costs and operational strain.

Q27. Question for reporting entities under MiFIR: What is the one-off cost of implementing MiFIR requirements to date? This cost should include all cost lines, such as familiarisation with obligations, staff recruitment, training, legal advice, consultancy fees, project management and investment/updating in IT. Do you identify any other relevant one-off cost line?

- › **Answer:** The implementation of MiFIR reporting also required **significant one-off investments**, though the nature of these costs differs slightly from EMIR. Firms had to **establish connectivity with Approved Reporting Mechanisms (ARMs)**, adapt trade capture systems for MiFIR-specific data fields, and implement **complex validation and submission work-flows** to meet the regime's transaction-level reporting requirements.

In addition, one-off costs included **legal and consulting services, staff training, IT project management**, and the **development of monitoring dashboards and reporting quality controls**. The integration of MiFIR reporting with existing EMIR and internal systems was particularly challenging due to **data model differences and fragmented definitions**, which required tailored solutions and significant resource allocation.

Q28. Question for reporting entities under MiFIR: What is your estimated average cost per transaction (on-going cost) to comply with the reporting requirements under MiFIR? This cost should include not only the fees associated with reporting through Approved Reporting Mechanisms but also the total cost, including any other cost lines, such as, IT maintenance and support, training, data processing and audit fees. Do you identify any other relevant on-going cost line?

- › **Answer:** The ongoing cost of MiFIR reporting primarily stems from **ARM fees, IT system support, data processing, and internal reconciliation**. Regular updates to reporting standards, coupled with **data quality controls and audit requirements**, create a continuous operational and financial burden. **The majority of NFCs are currently not reporting under MiFIR and hence do not have MiFIR implemented.**

Smaller non-financial entities experience this as **disproportionate**, given that their reporting volumes are often low but the fixed costs of maintaining compliant reporting systems are high. This underscores the importance of **streamlining and harmonisation efforts** to ensure that ongoing MiFIR reporting costs are aligned with actual supervisory needs.

Q29. Question for reporting entities under EMIR or MiFIR: Are there other costfactors that we should consider when estimating the cost saving over a long term horizon?

- › **Answer:** In estimating long-term cost savings, it is important to consider **indirect and opportunity costs** that arise from complex reporting obligations. Maintaining **parallel IT systems**, frequent adaptation to **new templates or regulatory updates**, and the **operational risk of misreporting** all represent significant cost factors over time.

Furthermore, the **fragmentation of reporting channels** and **duplicative reconciliation requirements** not only increase direct costs but also limit the ability of entities to focus resources on core business operations and risk management. Meaningful simplification and proportionality in reporting would therefore unlock not only direct cost savings but also **improve efficiency and reduce operational risk** in the long term.

Q30. What are the anticipated investments and transition costs associated with implementing option 1a, 1b, 2a and 2b (e.g. decommissioning of legacy systems, adapting systems to new changes and future evolving requirements, etc.)? Please provide a detailed breakdown of these costs, including any oneoff and ongoing expenses. What is the estimated average cost saving per transaction?

- › **Answer:** Transitioning to any of the proposed simplification options will involve **material investments and transition costs**, though the magnitude varies by option.
- **Option 1a** will require **moderate IT adaptation**, staff training, and temporary dual-system management. Costs are manageable and front-loaded but offer **early relief through duplication removal**.
 - **Option 1b** introduces **higher short-term complexity**, as maintaining dual flows and reconciliation frameworks temporarily increases operational and IT costs before simplification benefits emerge.
 - **Option 2a** entails **high upfront investments** in system redesign, harmonised data models, and process integration. These costs will be offset over time through reduced duplication and unified reporting flows, delivering **substantial long-term savings**.
 - **Option 2b** carries the **highest initial cost and operational risk**, as it requires multi-regime integration and extensive coordination across sectors. While it

promises the largest eventual cost savings and supervisory efficiency, these benefits will only materialise **gradually over a longer horizon**.

For all options, **average cost savings per transaction** are expected to improve as duplication is reduced, reconciliation burdens decline, and reporting becomes more automated and standardised. However, achieving these savings requires **careful transition planning, phased implementation, and robust support for smaller non-financial participants**.

6 Annexes

6.1 Annex I- Summary of questions

Q1. Do stakeholders agree with the description of the key challenges outlined above? Is there any other issue linked to multiple regulatory regimes with duplicative or inconsistent requirements that is not reflected in this section? Out of the 10 sources of costs identified in this section and the ones that you may add, what are the three main cost drivers in your view?

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

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

Q4. What are the key limitations and potential risks of option 1a? For example, do you consider the adaptation of the emir template to cover the data points used for market abuse surveillance as meeting the general objective of reducing the reporting burden, and why?

Q5. What components are missing or not adequately addressed in option 1a? Why are these elements important, and how might their inclusion change the evaluation or implementation of option 1a?

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

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

Q8. What components are missing or not adequately addressed in option 1b? Why are these elements important, and how might their inclusion change the evaluation or implementation of option 1b?

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

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

Q11. What components are missing or not adequately addressed in option 2a? Why are these elements important, and how might their inclusion change the evaluation or implementation of option 2a?

Q12. What are the key advantages of option 2b and how do these benefits address the issues in section 3? What regimes should be included in such an option beyond EMIR, MiFIR and SFTR?

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

Q14. What components are missing or not adequately addressed in option 2b? Why are these elements important, and how might their inclusion change the evaluation or implementation of option 2b?

Q15. Which of the two main options (1. "removal of duplication in current frameworks" or 2. "report once") and related sub-options identified do you believe should be prioritised, and why?

Q16. Are there any additional options that should be considered on top of option 1 and 2? For example, do you identify other potential intermediate solutions, combinations of elements from the identified options, or phased approaches? If so, what are their main characteristics, the reasons for considering them, and the key advantages they would bring?

Q17. Should the reporting channels, and flows be modified to ensure consistent reporting, and if so, how? Under which option/s do you consider these changes should be implemented?

Q18. In this regard, and based on the current order book requirements for trading venues and the availability of information, what are the advantages and disadvantages of transferring the reporting of on-venue transactions under mifir and emir to trading venues?

Q19. Additionally, what are your views on enhancing ESMA role as data hub by developing a framework where entities would report consistent and harmonised data directly to ESMA? Should this option consider direct reporting to ESMA coupled with EU and national authorities' access to the centrally held data, eliminating multiple submissions?

Q20. In the case of centralisation of reporting, please expand on the advantages and disadvantages as well as the implementation challenges and opportunities? Under this scenario,

what additional elements should be considered (i.e. Operational aspect, technical implementation, etc.)

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

Q22. Where do you think the cost associated with dual sided reporting is generated? What would be the cost impact of removing dual-sided reporting (e.g. Substituting reconciliation requirements with other measures such as audits against internal record systems as required in the U.S. or increase interaction among counterparties and NCAs)? Do you consider that dual sided reporting may reduce the ability of reporting entities to fully control the data submitted to authorities? Do you consider that the reporting should be strictly from one side?

Q23. Would you consider the modification of reporting frequency useful under the general objective of reducing the reporting burden, and why? What would be the specific proposals in this regard?

Q24. Proportionality measures: how do you consider proportionality can be taken into account in the context of burden reduction in regulatory reporting? What specific measures would you propose and how would you quantify their impact?

Q25. Question for reporting entities under EMIR: what is the one-off cost of implementing EMIR requirements to date? This cost should include all cost lines, such as familiarisation with obligations, staff recruitment, training, legal advice, consultancy fees, project management and investment/updating in it. Do you identify any other relevant one-off cost line?

Q26. Question for reporting entities under EMIR: what is your estimated average cost per transaction (on-going cost) to comply with the reporting requirements under EMIR? This cost should include not only the fees associated with reporting through trade repositories (which usually includes data collection and information storage) but also the total cost, including any other cost lines, such as, IT maintenance and support, training, data processing and audit fees. Do you identify any other relevant ongoing cost line?

Q27. Question for reporting entities under MiFIR: what is the one-off cost of implementing mifir requirements to date? This cost should include all cost lines, such as familiarisation with obligations, staff recruitment, training, legal advice, consultancy fees, project management and investment/updating in it. Do you identify any other relevant one-off cost line?

Q28. Question for reporting entities under MiFIR: what is your estimated average cost per transaction (on-going cost) to comply with the reporting requirements under MiFIR? This cost should include not only the fees associated with reporting through Approved Reported Mechanisms but also the total cost, including any other cost lines, such as, IT maintenance

and support, training, data processing and audit fees. Do you identify any other relevant on-going cost line?

Q29. Question for reporting entities under EMIR or MiFIR: Are there other cost-factors that we should consider when estimating the cost saving over a long term horizon?

Q30. What are the anticipated investments and transition costs associated with implementing option 1a, 1b, 2a and 2b (e.g. Decommissioning of legacy systems, adapting systems to new changes and future evolving requirements, etc.)? Please provide a detailed breakdown of these costs, including any one-off and ongoing expenses. What is the estimated average cost saving per transaction?

Ansprechpartner

BDEW

Merlin Bähr

Cosultant · Market Design, Emission Trading &
Financial Market Regulation
Trade & Procurement Division

T +49 30 300199-1554 · M +49 160 94623948

merlin.baehr@bdew.de