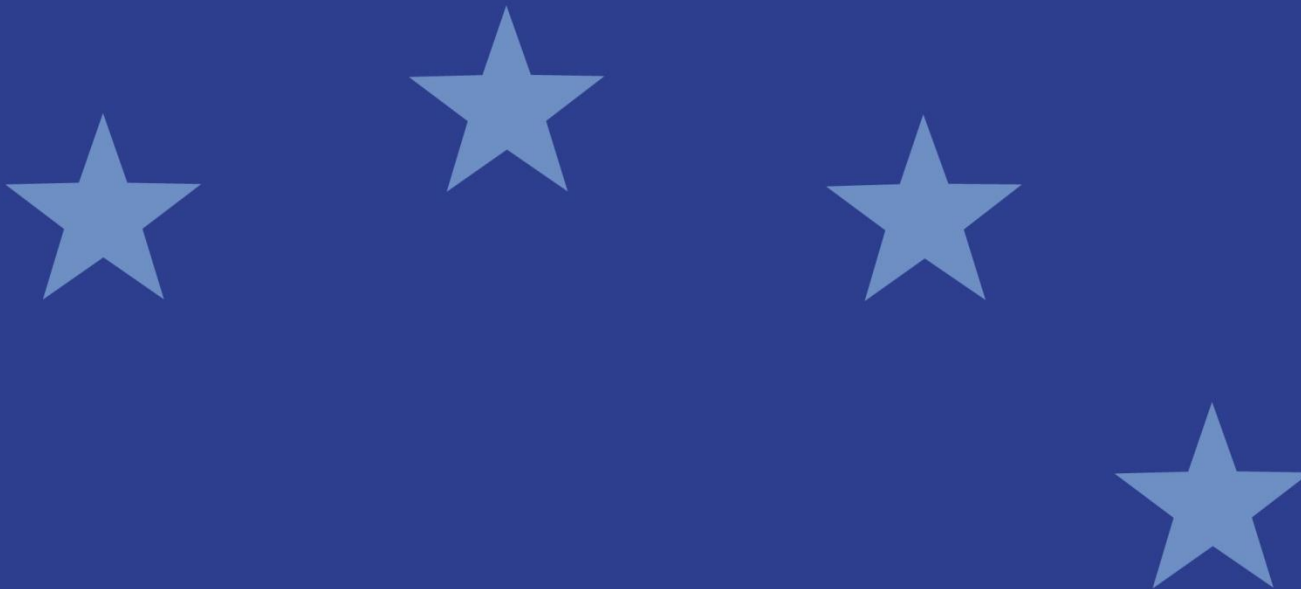




European Securities and
Markets Authority

European Securities and Markets Authority

Standardisation in MIFID/MIFIR/SFTR Regulatory Framework



Snapshot of reporting requirements (incomplete)

- MiFID II/MiFIR
 - Transaction reports
 - Post trade transparency
 - Order data
 - Registers
 - FIRDS
- MAR
- EMIR – TRs data
 - Regulatory data
 - Public data
- SFTR – TRs data
 - Regulatory data
 - Public data
- CSDR
- AIFMD
- MMF
- Securitisation Regulation
- Transparency Regulation
- Prospectus Regulation

- Usability of technical formats
 - Level of compliance
 - Extensibility
 - Performance
- Implementation feasibility
 - Impact
 - Market support
- Governance and change control
 - Governance process
 - Governance implementation timelines
- Reusability
- Conclusion – ISO 20022



Other examples of ISO standards in reporting

- Instrument identification code ISO 6166 ISIN
- Instrument classification ISO 10962 CFI
- Issuer ISO 17442 LEI
- Trading venue ISO 10383 MIC
- Currency ISO 4217 currency code
- Country code ISO 3166

Zoom in on the regulatory reporting landscape

EMIR	SFTR	MiFIR
Article 9 of Regulation (EU) No 648/2012	Article 4 of Regulation (EU) No 2015/2365	Articles 26 and 27 Regulation (EU) No 600/2014
Counterparty includes non-financials	Counterparty includes non-financials, but...	Investment firm does not include non-financials
Reportable derivative contract includes instruments traded OTC	Financial instruments as per MiFID II	Three categories of financial instruments as per Article 26(2)
Absence of financial instrument reference data	Absence of financial instrument reference data, single identifier ISIN	Financial instrument reference data



EMIR reporting requirements

- ***Purpose – improving transparency in derivatives markets, mitigating systemic risk and protecting against market abuse.***
- Review of RTS/ITS on reporting under Article 9
 - Full alignment with MiFIR
 - for newly introduced fields and
 - fields where current requirements had to be amended
 - No requirement for CPs to use ISO 20022 – expecting outcome of the CPMI-IOSCO OTCD Harmonisation WG
- Review of RTS on data access and operational standards under Article 81
 - Operational standards to access data
 - Compulsory use of ISO 20022 for data submission to CAs
 - Operational standards to aggregate and compare data



SFTR reporting requirements

- ***Purpose – enhancing the transparency of securities financing markets and thus of the financial system***
- ESMA produced six technical standards under SFTR
- Five of those are addressed to the industry:
 - RTS and ITS on SFT reporting
 - RTS on data collection, data availability and access levels
 - RTS and ITS on registration and extension of registration of TRs
- One relates to the exchange of data between authorities
- SFTR rules are end-to-end ISO 20022
- ESMA submitted the Final report to EC on 30 March 2017
- EC has three months to endorse them and then EP and Council up to three more months



MiFIR – Transaction reporting

- ***Purpose – monitoring the activities of investment firms to ensure they act honestly, fairly and professionally and in a manner which promotes the integrity of the market.***
- Meaning of Transaction and Execution
- Designation to identify natural persons and details of their identity
- Conditions to attribute and maintain LEIs
- Methods and arrangements for reporting
- Identification of financial instruments – ISIN vs combination of fields 42 - 56



MiFIR and MAR – Reference data

- Daily reference data submission by TVs/SIs to NCA and, subsequently, to ESMA
- Timelines:
 - TVs/SIs cut off 18:00
 - TVs/SIs submission by 21:00 CET
 - Publication by ESMA T+1 by 09:00 CET
- Established arrangements to ensure:
 - The financial instrument reference data is effectively received
 - The quality of data is appropriate for the purpose of transaction reporting
 - The financial instrument reference data is efficiently exchanged between the relevant competent authorities
- Specific fields for each type of financial instruments including bonds and different types of derivatives



Current Snapshot

- EMIR – Convergence/Review
- SFTR – Single Rulebook/Implementation
- MiFID II/MiFIR – Implementation
- 2017/2018 key focus – data quality



Lessons learned

- Starting with the purpose – what is the data for?
- Ensuring consistency across different regimes
- Harmonisation of definitions
- Standardisation of data elements and permissible values
- Addressing data quality management from the outset

QUESTIONS?