Aurexia



EMIR REFIT

New reporting standards, April 2024

June 2023

Aurexia

EMIR Refit - European Market Infrastructure Regulation

Main regulatory impacts and milestones

EMIR was adopted in 2012, in line with the G20's objectives of reducing the systemic risks inherent in over-the-counter (OTC) derivatives transactions. In 2019, EMIR REFIT amended certain technical aspects of EMIR, including the rules relating to the central clearing obligation.

IMPACTED ACTIVITIES

Regulation (EMIR)

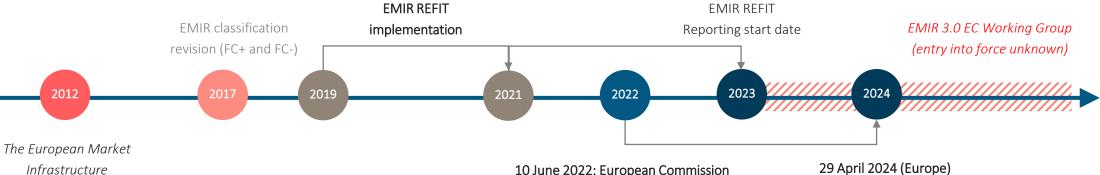
was published on 27

July 2012

Counterparties in scope of reporting requirements Third party service providers Trade repositories

MAIN EMIR IMPACTS

- Implementation of initial and variable margin calls for OTC derivatives
- Differentiated monitoring between bilateral and cleared OTC derivatives contracts
- Reporting to trade repositories
- Choice of an omnibus or **segregated account** at CCPs
- Questions on the organization to meet the new obligations, on the transformation, the optimization of securities as collateral and the associated costs



10 June 2022: European Commission endorsed the ESMA proposed RTS and ITS on reporting, data quality and data registration of trade repositories

29 April 2024 (Europe)

30 September 2024 (UK):

Application of new EMIR REFIT technical reporting standards



Aurexia

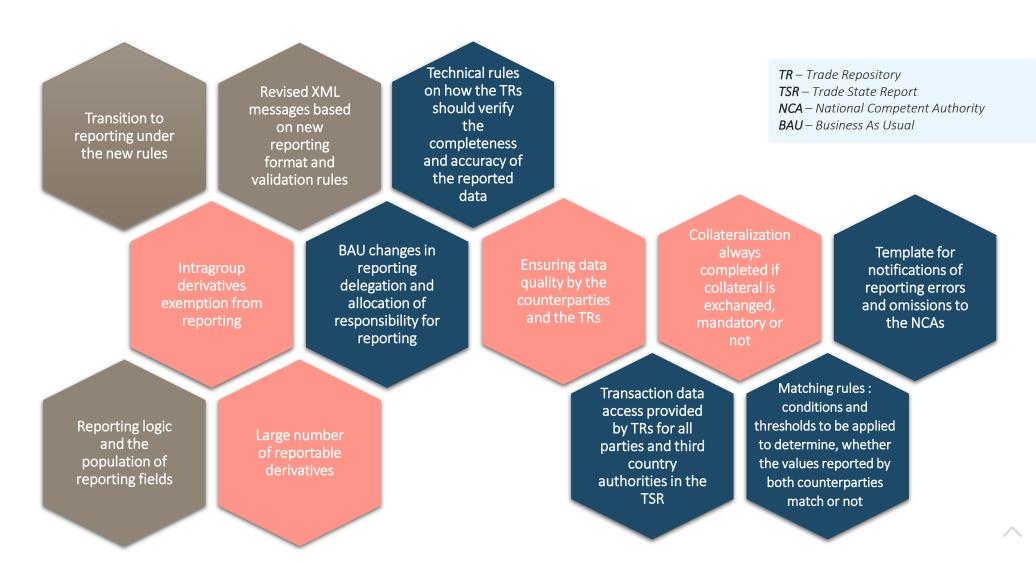
Impacts of ESMA Guidelines on reporting under EMIR REFIT

The ESMA Guidelines enhance the **harmonisation and standardisation of reporting** under EMIR, contributing to the **high quality of data** necessary for the **effective monitoring of the systemic risk**

Process change

Format reporting

Reporting Data



Main challenges raised by EMIR REFIT 2024 new technical standards

1

COMMON ISO 20022 XML SUBMISSION FORMAT

ALIGNMENT WITH INTERNATIONAL STANDARDS

NEW DATA ELEMENTS AND

EVENT TYPE



REPORTING FORMAT

Like SFTR, EMIR is moving to the ISO 20022 XML format for submissions to a trade repository (TR). This is a large hurdle for many firms as most that are reporting directly to a TR are doing so in CSV format or to a smaller level in FpML



REPORTING CRITICAL DATA

In particular related to the global guidance developed by CPMII-OSCO on the definition, format and usage of **key OTC derivatives data elements reported** to TRs, including:

- the Unique Transaction Identifier (UTI)
- the Unique Product Identifier (UPI)
- and other critical data elements



NEW FIFI DS TO REPORT

The number of reporting fields will likely increase from 129 to over 200 (only three data fields will be removed while 77 data elements have been introduced)

One of the new data elements is the **Event Type**. The Event Type will confirm the already-existing Action Type



5

6



NEW SPECIFIC RULES

NOTIFICATIONS TO NATIONAL COMPETENT AUTHORITY

INITIAL FULL LOAD

DATA QUALITY

CRYPTO-ASSETS UNDERLYING

Related to the direction of the derivative as well as the reporting of collateralization for a given derivative

Related to Crypto transactions: creation of a new field called 'Derivative based on crypto-assets' to identify them

NOTIFICATION CORR

A new requirement is introduced to **notify** the national competent authority of any **failures** during the reporting process

6M TRANSITION PERIOD

All outstanding derivatives at the time of the go-live must be reported based on the new technical standards. There will be a **transition period of 6 months** to perform the initial full load

Changes in outstanding derivatives after go-live must be reported directly in the new standard

)ata validation & reconciliatio

Enhanced and harmonized data quality requirements, subject to data validation and reconciliation processes at TR level

ww.aurexia.com



How Aurexia can support you?

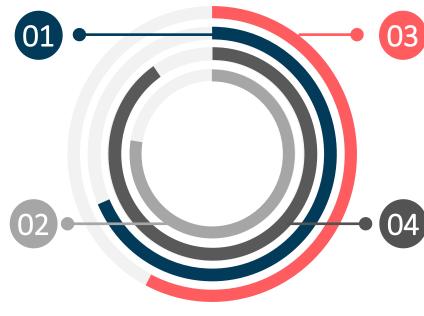
Aurexia delivered many regulatory projects and developed a strong expertise in implementing new regulatory requirements that will allow us to bring added value to you

Normative analysis

- Understanding of the regulatory requirements / scope / teams involved
- Review of the 'as is' framework
- Assess a specific process (eligibility rules...)
- Understanding of architecture systems and data availability

Implementation of new regulatory standards

- Understand reg. requirements & provide support to complex transformation (framework, steering, IT implementation...)
- Review the model of optimization for internal reporting requirements
- Elaborate remediation plans



New data sourcing, data quality & change management

- Identify data quality initiatives managed centrally &/or locally
- Identify the system where the data has to be created and perform workshops with IT Team to get an implementation roadmap
- Implement a new organization that will support new processes or that will target operational efficiency

Smart automation

- Benefit from new technologies for trade remediation, increase your operational team efficiency or strengthen your reporting management
- Analyze the eligible processes for automation
- Benefit from Machine learning algorithms, datalake capabilities, dataviz tools, etc.

Aurexia Your contacts



Alain de Cidrac

Partner Luxembourg alain.decidrac@aurexia.com + 352 691 121 832



Luc Estang

Partner luc.estang@aurexia.com + 33 (0)6 40 08 38 58



Eric Grelier

Partner eric.grelier@aurexia.com +33 (0)6 63 05 66 40

