**Maintenance Change Request**

**for maintenance of Derivatives Trade Reporting messages (MCR 2023)**

1. **Submitting organization(s):**

**European Securities and Markets Authority (ESMA)**

201-203 rue de Bercy

75012 Paris

France

1. **Related messages:**

Maintenance of existing message definitions:

* auth.029.001.03 Derivatives Trade Report Query V03
* auth.090.001.01 Derivatives Trade Position Set Report V01
* auth.092.001.03 Derivatives Trade Rejection Statistical Report V03

Purpose of the development of the above is in line with the original Business Justification[[1]](#footnote-2) document as submitted by ESMA in 2016. The proposed maintenance updates to the above message definitions will improve (and provide more precise means for) querying of the derivative information from trade repositories as well as will facilitate reporting of aggregated positions of derivative transactions and rejections statistics for market participants and shall bring significant gains in efficiency for processing of such data.

1. **Purpose of the change:**

Following last year’s developments of derivatives trade reporting messages in alignment with the requirements established in the CDE Technical Guidance[[2]](#footnote-3), ESMA has published its usage guidelines for all market participants involved in the exchange of derivative information in accordance with the revised technical standards on EMIR[[3]](#footnote-4). The EU community (primarily trade repositories and EU National Competent Authorities) impacted by the EMIR changes and tasked with implementation of the revised ISO 20022 messages performed an extensive review and provided ESMA with feedback indicating that some adjustments might be needed to better align with the EU standards and to facilitate the reporting of derivatives in general. Most of the changes can be tackled from the usage guidelines perspective, however a few of them require updates to the base messages, specifically the query message (auth.029) that should cater for querying also the margin data information; as well as the rejection message (auth.092) where statistical information shall not provide such detailed breakdowns following ESMA guidelines[[4]](#footnote-5) on reporting details of rejected transactions.

Furthermore, on 28 March 2023, ESMA has published a consultation paper related to the guidelines on position calculations[[5]](#footnote-6) to ensure that relevant authorities are provided with consistent and harmonised position in relation to derivatives. The guidelines are to also ensure that data made available to authorities in the form of aggregations carried out by TRs is of high standard and that the derivatives are reported without duplication, and no double-counting between trade and position reports. To ensure alignment and compatibility with the EMIR standards following revisions under Refit, ESMA objective is to update the corresponding auth.090 message at the same time preserving current methodology to the extent possible and propose certain adaptations where needed. The consultation period on the guidelines document were concluded on 9 May 2023 and ESMA has now completed internal evaluation of feedback received, and therefore is ready to amend the corresponding base message accordingly.

Prior to the submission of this MCR, ESMA has performed impact assessment on the messages subject to changes among other regulatory regimes and to our best knowledge the planned amendments will impact only the UK FCA. Representatives of the FCA had also confirmed that the proposed changes will be also reflected in the UK EMIR regulation, and therefore will not have any objections during the evaluation stage.

This Maintenance Change Request summarises the changes proposed by ESMA to the existing ISO 20022 message definitions part of the *Financial Instruments and Transactions Regulatory Reporting (Trade Repository Reporting)* message set. Such changes will ensure full coverage of the underlying regulatory framework, and at the same time better alignment with international standards for derivatives reporting. These would also enable more accurate reusability of the message across different ISO 20022 implementations globally and should limit the potential future changes that would be required by the implementing authorities.

1. **Urgency of the request:**

Regulatory requirements for reporting under EMIR Refit will enter into force on 29 April 2024 and hence the messages auth.029 and auth.092 shall be registered as soon as possible to accommodate for sufficient lead time for the National Competent Authorities (NCA), National Central Banks (NCB), the Trade Repositories and other market participants to adapt to the changes. In terms of the message auth.090, the consultation paper on positions calculation envisages two potential go-live dates, one that will be shared with main regulatory requirements (i.e. 29 April 2024) and the second that will provide the market with additional 6 months transition period. ESMA has not yet published its final decision, however, to secure the earlier go-live, the updated XML Schemas need to be registered by end of Q3 2023.

1. **Commitments of the submitting organization:**

ESMA confirm that they plan to develop a new version of the impacted messages according to the changes proposed in this document. Moreover, the ESMA TRACE project team also confirms that it plans to develop the new message definitions as specified in this document.

The regulator confirms their knowledge and acceptance of the ISO 20022 Intellectual Property Rights policy for contributing organizations, as follows.

*“Organizations that contribute information to be incorporated into the ISO 20022 Repository shall keep any Intellectual Property Rights (IPR) they have on this information. A contributing organization warrants that it has sufficient rights on the contributed information to have it published in the ISO 20022 Repository through the ISO 20022 Registration Authority in accordance with the rules set in ISO 20022. To ascertain a widespread, public and uniform use of the ISO 20022 Repository information, the contributing organization grants third parties a non-exclusive, royalty-free license to use the published information”.*

1. **Contact persons:**

**ESMA:**

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1. **Summary of changes:**



A detailed view of the proposed changes is shown in the updated version of the EMIR Derivatives XML schema set is provided along with the MCR. Please note that the submitters reserve the right to update the list of proposed updates that are subject to ongoing discussions during the evaluation process. All such additions will be documented and discussed with the SubSEG members before integrating into the next draft version of the message.

1. **Decision of the SEG(s)**



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| **Timing** | |
| **- Fast/specific track maintenance**  (the change justifies an urgent/the requested implementation using the fast/specific track maintenance process) | | X |
| - **At the occasion of the next maintenance of the messages**  (the change will be considered for implementation, but does not justify an urgent implementation – will be pending until the next [yearly] maintenance of the messages) | |  |

1. See: <https://www.iso20022.org/submission-status/1711/download> [↑](#footnote-ref-2)
2. See: <https://www.leiroc.org/publications/gls/roc_20210922.pdf> [↑](#footnote-ref-3)
3. See: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32022R1855&from=EN> [↑](#footnote-ref-4)
4. See: <https://www.esma.europa.eu/sites/default/files/library/esma74-362-2281_final_report_guidelines_emir_refit.pdf> [↑](#footnote-ref-5)
5. See: <https://www.esma.europa.eu/sites/default/files/2023-03/ESMA74-362-2724_Consultation_paper_on_positions_calculation_under_EMIR_Refit.pdf> [↑](#footnote-ref-6)