Assogestioni's response to the Call for Evidence of ESMA "on a comprehensive approach for the simplification of financial transaction reporting"

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?

We broadly agree with ESMA's identification of the main challenges across EU transaction-reporting frameworks.

For asset managers, however, it is important to underline a key distinction. Management companies that provide investment services under MiFID are **not** subject to MiFIR transaction-reporting obligations. The responsibility for reporting under MiFIR rests with the executing investment firm — typically a broker or other intermediary. This means that, unlike investment firms, asset managers do not carry a MiFIR reporting burden. This division of responsibilities is proportionate, and **it must be preserved**. Any suggestion of extending MiFIR reporting duties to asset managers would not only duplicate existing requirements, but also create unnecessary costs and complexity that run directly counter to the European Commission's clearly stated objectives of cost reduction and regulatory simplification.

Instead, the reporting duties of asset managers are concentrated under the other two major regimes: EMIR and SFTR. This is where the compliance and cost pressures lie, and therefore where any effort to streamline the framework would be most effective.

Within this landscape, derivatives reporting under EMIR represents the most significant operational challenge. Derivatives are used by virtually all asset managers—albeit for different purposes depending on portfolio strategy, risk management needs and asset class exposures—so EMIR applies broadly and imposes a substantial ongoing burden. SFTR reporting, while structurally similar to EMIR in its dual-sided approach, is less pervasive in practice. Its impact varies according to business model, investment style and market conditions, since not all asset managers rely equally on securities financing transactions.

Within EMIR, dual-sided reporting and reconciliation—further intensified under EMIR Refit—are consistently cited as primary cost drivers, mainly because of pairing/matching requirements and expanded data-quality rules. Our members report the following points:

- <u>data-quality controls</u>: enhanced validations require dedicated exception management, monitoring dashboards, TR queries and, generally, the need of acquisition of tools from third party providers.
- <u>oversight of delegated/counterparty reporting</u>: even where reporting is delegated to the financial counterparty or to a service provider, management companies must maintain other than SLAs, completeness/accuracy checks and maintain audit trails—incurring costs. Recent ESMA clarifications on reportable content of ETD (field 2.48 "Price") have highlighted the dependence on updates across the chain where some data do not originate at the management company. This dependency affects remediation timelines and raises costs, including administrative burden of notifying

the competent authority for each fund affected when an industry-wide issue is known but not yet resolved;

- integration complexity: multiple brokers, custodians, venues and TRs/ARMs mean diverse file specifications and technical interfaces and message schemas used to connect systems , parallel testing, change management and vendor spend.

- governance and assurance: expanded policies, internal controls, and audit/compliance testing to evidence data quality and timely reporting.

- vendor market structure & competitiveness. The market for reporting tools, TR/ARM connectivity and reconciliation services is increasingly concentrated. Concentration also amplifies substitution risk: niche products may be discontinued if uptake is low, pushing firms to migrate and raising operational and transition costs. Reduced competitive pressure can lead to higher prices, tighter contractual terms and vendor lock-in.

Beyond EMIR and SFTR asset management companies are also subject to other reporting regimes that cover asset management activity in financial instruments—including derivatives, collateral and SFTs—which can duplicate or diverge from transaction-reporting requirements:

- AIFMD (Annex IV) where periodic aggregate information is required; the (future) new UCITS reporting framework and review of the AIFMD reporting regime;

- MMF reporting, featuring more granular templates at EU level;

- National supervisory/statistical collections on UCI, including statistical submissions required under EU-level ECB Regulations (transmitted via National Central Banks — in Italy, Banca d'Italia).

- National supervisory/statistical collections on pension fund (in Italy – COVIP)

The current *siloed* regime design forces duplicate data pipelines. This came not only of different terminology, definition and reporting channel but also due to different reporting calendars and timeliness. By contrast with EMIR/SFTR, which are daily (often T+1), UCIs reporting is typically periodic (e.g., monthly/quarterly/half-yearly) and not daily nor due on a next-day basis; as a result, data cannot simply be "lifted and shifted" without maintaining separate processes.

Beyond core transaction-reporting regimes, asset managers are also subject to position-based disclosures under the Transparency Directive and the Short Selling Regulation. When thresholds are met—such as significant shareholdings or net short positions—firms must file notifications to NCAs and, in many Member States, also publish them via issuer or venue portals. While less frequent than daily reporting, these disclosures require extracting positions, applying jurisdiction-specific thresholds, reformatting data, and submitting it through national channels.

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

We acknowledge the ESMA's stated principles for a comprehensive simplification process: maintaining the current information scope, reducing overlaps, ensuring global alignment, and balancing cost and benefit. These are well-founded objectives that reflect the growing complexity and burden of transaction reporting under MiFIR, EMIR and SFTR.

However, we note that the principle of "preserving information scope", if not carefully interpreted, could unintentionally result in the expansion of existing requirements—especially for management companies. From a buy-side perspective, the success of any simplification effort depends not only on *what* is reported, but also on who reports and who holds legal responsibility.

At present, the current set of high-level principles does not explicitly address these two structural dimensions—the shift from dual- to single-sided reporting, and the clear allocation of liability to the designated reporting entity. We believe that without resolving these two foundational questions, any reform could lead to partial or even counterproductive outcomes, especially for management companies, who often operate without direct access to the full data chain and rely on counterparties or infrastructures to complete the reporting.

For this reason, we strongly suggest complementing ESMA's current framework with a few targeted clarifications:

- That single-sided reporting is not only encouraged, but structured around the party with operational and data capacity, typically the dealer, venue or CCP;
- That liability lies exclusively with the reporting entity, while non-reporting parties (e.g. the buy-side) may contribute data as needed but cannot be held accountable for completeness or accuracy of third-party submissions;
- That preserving information scope must not imply expanding reporting scope, particularly not by extending MiFIR-like obligations to entities currently outside its perimeter, such as management companies.

Finally, any move to one-sided EMIR reporting should be applied holistically, with a reassessment of the entities in scope, including NFC. Asset managers report on behalf of funds but may also be mandated to report for NFC under discretionary mandates.

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

Under Option 1a the goal is to remove the present duplication in EMIR and MIFIR. It is proposed, among all, that:

- MiFIR – ETD (transactions)
- EMIR – OTC derivatives (trades + post-trade events)
- 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.

Asset management companies are currently subject only to EMIR. Option 1a would therefore introduce two very different practical outcomes for ETD transactions, making the net benefit for management companies unclear.

Scenario	Practical consequence for management companies (ManCo)	Cost/benefit assessment
ETD (transactions)		
A. ManCo remain outside MiFIR (our preferred reading, consistent with the "reduce-only" scope principle)	ManCo would stop reporting ETD derivatives under EMIR and would not be required to build MiFIR connectivity.	<u>Positive</u>: clear and immediate burden reduction
B. ManCo must start a limited MiFIR feed for ETDs only	ManCo would decommission the EMIR leg for ETDs but would have to develop MiFIR reporting infrastructure solely for derivative ETDs.	<u>Negative</u>: no net benefit and likely higher cost — a new platform must be built for ETD, unless reporting becomes single-sided and allocated away from buy-side

For OTC derivatives positive will depends on moving to single-sided reporting with liability on the best-placed party (dealer), as discussed in our responses to Q2 and Q22.

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?

Under management companies' perspective, this Option would create new obligations instead of removing them if a MiFIR reporting infrastructure should be developed solely for derivative ETDs (please see our response in Q3).

It is also uncleared, at this stage, what would be the burden of the adaptation of the EMIR template to cover the data points used for market abuse surveillance. On a general basis, transferring fields from a regime where management companies are out of scope (MiFIR) into one where they are scope (EMIR) is an expansion, not a reduction, of buy-side obligations. However, the final effect will depend on the type of information requested.

This Option would have meaningful cost savings if the dual-sided EMIR reporting would be removed. Please see our support for single-sided reporting in Q2 and Q22.

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?

As indicated above, it should be clarified that asset-management companies will not become MiFIR reporters under Option 1a; otherwise, the cost/benefit profile changes radically.

Even if Option 1a is adopted, success still depends on moving to single-sided reporting with liability on the best-placed party (dealer/venue/CCP), as discussed in Q2 and Q22.

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

Under Option 1b the goal is to remove the present duplication in EMIR, SFTR and MIFIR with a delineation by event. It is proposed, among all, that

- MiFIR: Transactions (OTC and ETD)
- EMIR: Post-trade events of derivatives (OTC and ETD) that do not fall under MiFIR
- SFTR to be integrated un MiFIR and EMIR (post-trade events)

Consistent with our comments on Option 1a, it remains unclear whether there would be a net benefit for management companies in the absence of a move towards single-sided reporting, with responsibility placed on the best-positioned party (dealer, venue, or CCP), as discussed in Q2 and Q22.

Management companies are currently not within the scope of MiFIR, yet this proposal appears to require, at a minimum, the development of MiFIR reporting infrastructure for derivatives transactions — not only for ETDs (as envisaged under Option 1a), but also for OTC derivatives and SFTs. This would result in additional costs.

Moreover, the long-term cost savings do not appear to be significant, and as ESMA itself highlights, there may be other drawbacks. For these reasons, we did not support the Option 1b.

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

Please see our response to Q6.

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?

Please see our response to Q6.

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

We agree with ESMA that moving toward a consolidated, harmonised and rationalised reporting architecture, based on a central hub and a “report once – use many times” logic, could deliver significant efficiency gains across regulatory regimes and the the deepest medium-term cost savings for buy side, provided that a number of structural safeguards are respected. Please see our response to Q2.

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

The successful implementation of Option 2a would depend on solving several technical, legal and organisational challenges.

From a buy-side perspective, the first and most fundamental risk lies in a misallocation of reporting obligations, especially if the centralised model were to be accompanied by the maintenance or a shift in responsibility toward entities like management companies, which do not currently report under MiFIR.

The generic formulation that "*reporting is performed by financial entities*" in the generic description of the Option 2a must be refined to ensure that management companies, which today already report under EMIR and SFTR, are not required to take on additional MiFIR-type reporting obligations as part of this new model. This point is essential not only to ensure burden reduction, but also to maintain coherence with the principle of role differentiation, where reporting responsibilities follow operational capacity and data availability.

In addition, many OTC derivatives involve third-country dealers, so this Option can function if message standards, identifiers and validation rules are truly interoperable, allowing the most data-rich counterparty—including a non-EU dealer or its EU branch—to transmit directly. If that alignment is not achieved, asset managers could be forced into a fallback role that would drive costs back up and defeat the proportionality objective.

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?

Option 2a already sketches a compelling "report-once, re-use-many" vision. To turn that vision into a workable proposal, we suggest to adequately address the following to give to the stakeholder greater confidence that the medium- to long-term efficiency gains will materialise as planned.

- **Clear allocation of the reporting obligation.** The paper states that reporting would rest with "financial entities", yet it does not spell out which entity in the chain should file. An explicit reference to venues, CCPs or dealers—as opposed to management companies—would anchor the proportionality aim and give firms certainty when budgeting their own build work.
- **Liability framework and safe-harbour.** Concentrating the filing duty on the submitting counterparty will succeed only if the same entity also carries primary responsibility for data quality. A concise safe-harbour for the non-reporting side would avoid duplicative follow-up queries and keep accountability transparent.
- **Cross-border interoperability**. Many OTC trades involve third-country dealers. So the approach can function if message standards, identifiers and validation rules are truly interoperable, allowing the most data-rich counterparty—including a non-EU

dealer or its EU branch—to transmit directly. If that alignment is not achieved, asset managers could be forced into a fallback role that would drive costs back up and defeat the proportionality objective.

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?

Compared with Option 2a, Option 2b appears to offer an extra advantage: it would embed a more structured, regime-agnostic mechanism for data re-use, extending beyond MiFIR, EMIR and SFTR to fund-specific obligations under AIFMD, UCITS, MMFR and national requests. If designed well, the daily data that would be filed could be leveraged—at least in part—for supervisory and statistical returns required by NCAs, the ECB. That said, we do not exclude that the same outcome might also be achievable under Option 2a, provided that technical questions such as record-level reusability and fund-level aggregation are addressed.

Beyond the core transaction regimes, EU asset managers must also meet the Transparency Directive thresholds: when a holding crosses a notifiable percentage of an issuer's share capital, the manager must submit a major-shareholding form to the competent authority and, in many Member States, upload the same disclosure to an issuer's portal or regulated market website. Although less frequent than daily trade reports, these filings still require position extraction, reformatting into divergent national templates and submissions.

If ESMA pursues the broader Option 2b at a later stage, we recommend including major-shareholding notifications in the streamlining exercise. Daily position data resident in the future hub could cover much of the requirement; where perfect reuse proves impractical efficiency could still come from a common EU repository that routes one electronic filing to all relevant authorities and issuers. Such a single-entry approach would eliminate country-by-country templates and log-ins while staying true to the "report once, use many times" philosophy.

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

A key concern is data quality and the need for a strong governance framework for the central hub, including data access rights, liability schemes, and a well-defined mechanism for ensuring data quality.

The cost implication of the new framework should also be addressed.

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?

We note with concern the potential misalignment between the timelines set for the development of the integrated supervisory reporting framework for investment funds (under AIFMD and UCITS) and those foreseen for the consolidation and simplification of financial transaction reporting regimes (MiFIR, EMIR, SFTR).

Under Article 69a of AIFMD and Article 20b of the UCITS Directive, ESMA is mandated to submit a report by 16 April 2026 on the development of an integrated reporting system for supervisory data, followed by draft RTS and ITS by April 2027. In parallel, the revised MiFIR framework mandates a final ESMA report on transaction-reporting simplification by March 2028, while in early 2026 will be available only the final report of ESMA which outline the key areas to be covered by the simplification exercise and the preferred simplification option.

This staggered schedule creates a risk of structural misalignment, in which reforms for fund-level reporting will move ahead on a separate track from the broader simplification exercise that aims to unify transaction-reporting obligations across MiFIR, EMIR, and SFTR.

From a buy-side perspective, this fragmentation risks generating duplicative development costs, unnecessary adjustments, and potential incompatibilities across frameworks.

To avoid these inefficiencies, we strongly recommend a coordinated and flexible approach between the two reform tracks and invite ESMA to propose to European Commission a targeted amendment to the Level 1 legislation (UCITSD and AIFMD) to remove the current time constraints for developing the reporting framework. This would provide the necessary flexibility to pursue cross-regime alignment in a coherent and cost-effective manner.

In our previous responses, we stressed that the principle of “report once, re-use many times” should be a cornerstone for the future framework. To make this vision operational, regulatory timeline must be harmonised, and implementation steps should be sequenced in a way that avoids backtracking or conflicting obligations.

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?

Assogestioni’s clear preference is to prioritise Option 2—“report once, re-use many”—because it seems to offer the greatest structural simplification and medium- to long-term cost relief.

However, we support Option 2 <u>only if the following safeguards are hard-wired from the outset:</u>

- <u>Single-sided reporting</u>: the file is transmitted once by the venue, CCP or dealer—never by the buy-side.
- <u>Clear liability allocation and safe-harbour</u>: the submitting counterparty owns data-quality risk; managers remain liable only for the limited static data they supply.
- <u>Reduce-only scope for asset managers</u>: no expansion of MiFIR-style obligations onto management companies.

With those safeguards in place, Option 2 is not merely ambitious; it is the right—perhaps even the last—opportunity to dismantle the overlapping infrastructures and ad-hoc reporting layers that have accumulated over the years. Seizing it will require courage, but the potential for genuine, structural burden-reduction makes the effort essential.

If the full “report once” architecture proved unworkable, we would support Option 1a on the strict understanding that management companies remain out of scope for ETD reporting. We do not favor Option 1b, whose event-based split would add complexity without delivering proportionate benefits.

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?

Because Option 2 represents a substantial redesign of today’s reporting architecture, an intermediate, phased pathway—rather than a brand-new alternative—seems the most pragmatic supplement to the two options already on the table. Each phase would absorb a manageable slice of the change, reducing execution risk and allowing measurable cost-relief milestones.

To steer such a program, the creation—if it does not already exist—of a dedicated cross-sector working group that brings together the ESAs, the ECB/NCBs, national competent authorities, trade repositories, infrastructures, and both buy- and sell-side representatives should be helpful. A recent, successful precedent is the industry task-force that coordinated Europe’s transition to T+1 settlement: although that project dealt with post-trade timeliness rather than regulatory reporting, it demonstrated the value of having all critical actors around one table to sequence technical standards, legal adjustments and market-practice guides. A similar governance set-up for the reporting overhaul would help reconcile parallel regulatory timelines, standardise data dictionaries, and ensure that liability, funding and other topics are addressed coherently at each stage.

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?

Reporting flows will inevitably need to evolve if the EU adopts either a single-sided model or a central hub. Implementing these channel changes should be one of the first tasks of the dedicated cross-sector working group.

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?

Assogestioni is open to a model in which regulated entities submit a single, harmonised report directly to an ESMA-operated hub, while EU and national authorities retrieve the information they need from that central store. In principle, one gateway and one set of validation rules would remove today's multiple submissions to trade repositories, ARMs, NCAs and sector-specific portals—exactly the type of duplication the Call for Evidence seeks to eliminate.

For the buy-side, support hinges on conditions already outlined in our earlier answers:

- Single-sided reporting, with the obligation resting on the venue, CCP or dealer—never by default on the asset-management company.
- Clear liability and safe-harbour: the entity that uploads the file must bear primary responsibility for data quality; non-reporting parties should not face back-to-back remediation on data they did not submit.

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.)

Centralisation promises a step-change in efficiency. One message could satisfy several regulatory purposes; supervisory comparisons across markets and jurisdictions would become simpler; and firms would no longer need to reconcile the same trade in different repositories. At the same time, concentrating all flows in one platform is not risk-free. It would create a critical piece of market infrastructure whose resilience, data protection and cost-recovery rules would need to command broad confidence. It also calls for careful phasing. With balanced governance, clear allocation of liability, and an implementation schedule, a central hub could deliver lasting reductions in the regulatory-reporting burden.

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?

Dual-sided reporting was introduced under EMIR to give supervisors two independent views of the same derivative. In practice, however, it has become the single largest avoidable cost for EU asset-management companies. Every EMIR trade must first be assigned a UTI, then be paired and matched in the trade repository, then be reconciled line-by-line when mismatches arise. ESMA's latest 2024 "Report on Quality and Use of Data" shows that, even after EMIR Refit go-live, 20 % of outstanding trades still disagree at counterparty level (DQI 1a stood at 20.5 % on 31 Dec 2024, down from 33.9 % seven months earlier) and 22% of positions differ at portfolio level (DQI 1b). Mismatch translates into queries, bilateral calls and additional TR messages.

The US experience seems showing a clear alternative. We understand that under the CFTC rule-set swap data are filed once, by the counterparty best placed to report, and the regulator enforces quality ex-post through audits against the firm's own books and records rather than through daily two-party matching.

If ESMA were to adapt such a single-sided audit-based approach to the EU environment, the daily costs for transaction reporting would disappear for the non-reporting side; the cost of a periodic supervisory audit appears, on current evidence, to be an order of magnitude lower and could in principle be absorbed by the record-keeping systems already maintained under MiFID II, UCITS and AIFMD framework. Across those regimes firms must keep sufficiently detailed records to reconstruct the lifecycle of each transaction and to retrieve them promptly for supervisory inspection. That said, **the final price tag of the audit layer is still an open variable.** At present there is no single EU methodology defining how often audits would be commissioned, what trade populations they would cover. If each supervisor were to request frequent or overlapping deep-dive reviews, potentially with different technical specifications, the buy-side could end up replacing one costly process with another. A cross-border asset manager might have to respond to several parallel audit demands, rebuild bespoke datasets for each, and again face duplicated effort. To secure the efficiency promised by a one-sided model, is therefore essential that audits must be genuinely risk-based and exception-driven. Excessive or indiscriminate auditing would risk reintroducing complexity and undermining the burden-reduction objective. In this context, a harmonised EU-wide approach to supervisory audits would be strongly welcomed. Fragmented national practices could lead to duplicated requests, inconsistent expectations, and uneven regulatory pressure. A single framework would help streamline supervisory interaction and bring predictability for reporting entities.

A one-sided model should also **clarify liability for data quality**. Dual-sided reporting fragments responsibility: each party controls only half of the file yet can be sanctioned when the two halves diverge. By contrast, a one-sided model concentrates accountability—and therefore genuine data stewardship—on the entity that files, giving it full latitude to validate the submission. An asset-management company can, and should, carry out generic counterparty oversight (e.g. periodic attestations and SLA monitoring), but it cannot feasibly validate every single transaction filed by its counterparties. To do so it would have to decode each message, maintain full schemas and build reconciliation logic that mirrors the TR's own engine—effectively recreating an entire reporting stack it neither needs nor uses for its internal risk management. The investment and running cost of that replication would wipe out any saving the simplification programme is intended to achieve.

For these reasons Assogestioni strongly supports moving to strictly one-sided reporting, with the filing obligation placed on the venue, CCP or dealer for ETD trades and on the dealer (or other capacity-rich counterparty) for OTC trades. Management companies would supply static data only when the reporting party does not already possess them and would be liable solely for the accuracy of that limited contribution.

Substituting daily matching with an audit-based approach would meet supervisors' quality objectives, align the EU with global practice and—most importantly—deliver a direct, measurable reduction in operating costs for the buy-side.

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?

Proportionality must start from the operational reality of the buy-side, in particular management company. These entities sit at the end of a long trading chain: they initiate orders and record them in order- and portfolio-management systems, but most of the reportable fields—UTIs, life-cycle events, counterparty margin, collateral movements—are generated further downstream by brokers, trading venues, CCPs or custodians. Requiring each manager to capture, transform and resubmit every one of those data points would ignore this structural asymmetry and would raise costs rather than lower them.

A proportionate framework should apply a single-sided reporting with clear liability. If the trade is already filed by the venue, CCP or dealer, the buy-side should not be asked to duplicate it. Keeping or shifting full reporting liability to the buy-side, by contrast, would force managers to recreate infrastructures already maintained by dealers and infrastructures, undermining the stated objective of the Call for Evidence and driving costs in the opposite direction.

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?

Our members emphasise that estimating the one-off costs incurred since the introduction of EMIR is highly complex, given both the long timeframe involved and the regulatory and technological evolution which required multiple system upgrades.

This has not been a mere IT development exercise but rather multi-year projects that involved dedicated staff, external consultancy support, and ongoing adaptation to new regulatory versions and trade repository requirements. Several members also reported having changed reporting solutions or trade repositories over time, generating additional project costs. In addition, costs are often difficult to isolate, particularly in cases where reporting is delegated to service providers who include them within broader integrated service packages.

Costs vary significantly on the reporting model adopted: in-house vs delegation or hybrid solutions.

Members noted the lack of proportionality in the EMIR framework, as the rules do not differentiate between firms that use derivatives sporadically for hedging purposes and those with more extensive investment-driven usage. This has resulted in disproportionately higher costs for the former. Even for firms that use derivatives only occasionally and rely on delegation models, a significant spend is still required to establish control and oversight arrangements. For operators making use of delegated reporting, the initial set-up of agreements with brokers/counterparties and the establishment of oversight functions represented a cost category. Procedures and tools also had to be adapted to appropriately differentiate ETD and OTC flows as their inherent characteristics would warrant differentiated monitoring requirements.

That said, please find below some general information on costs collected from members, which can only provide an indicative picture:

- **consultancy and implementation projects:** the launch of EMIR involved multi-year projects requiring external consultants, dedicated project management, and change management activities. One national smaller-sized member in the European context, estimated around €400,000 in project costs directly linked to the introduction of the regulation, while others estimated higher figures (in line with EFAMA's figure mentioning up to €1 million and more).

- **vendor and trade repository fees**: fees paid to trade repositories and technology vendors are estimated ranging between €20,000 and €200,000 per year, depending on the operating model and transaction volumes.
- **IT tools and control platforms.** Members had to implement or upgrade dedicated tools for reporting, reconciliation, exception handling, and internal controls. Some reported annual costs between €20,000 and €100,000 for software modules or applications, depending on operational complexity.
- **exception handling, reconciliation, and pairing/matching activities:** one member estimates to be approximately €150,000 per year;
- **internal resources (FTEs):** In several cases, firms had to permanently allocate between 2 and 4 internal resources, either full-time or part-time, to carry out control activities, contract management (ISDA/DRA), IT support, and oversight of delegated reporting. The FTE effort remains significant even many years after the initial implementation. Further indirect costs were highlighted, such as internal audits and NCA queries.

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?

Please see our response to Q25.

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?

Our members are not subject to MiFIR Article 26 transaction reporting, as UCITS management companies and AIFMs providing MiFID services are exempt. For this reason, they have not incurred the one-off costs listed (such as IT investments, staff recruitment, training, legal advice, consultancy, project management, or system updates) and other on-going costs.

Actually, asset managers provide, where necessary, limited missing information to the counterparties that are subject to the reporting obligation. This targeted flow of information ensures that reporting entities can meet their duties without creating duplicative layers of reporting by asset managers themselves. The current set-up works well, avoids overlap, and achieves the regulatory objective efficiently.

In line with the European Commission's objective of reducing unnecessary regulatory burden, we strongly caution against extending MiFIR transaction reporting obligations to entities currently exempt. Such an extension would create disproportionate implementation costs for management companies, while offering no material additional supervisory or market integrity benefit.

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 ongoing cost line?

Please see our response to Q27.

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?

From the asset management perspective, the most meaningful efficiency gains under EMIR reporting will come from a single-sided reporting model, with clear allocation of liability.

If single-sided reporting still embeds extensive verification of the non-reporting party, the cost burden will simply be shifted rather than reduced.

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?

Under an asset management perspective, the cost–benefit balance of the proposed options hinges almost entirely on how the buy side is treated. Any meaningful assessment must fully reflect the interaction with single-sided reporting, which is universally recognised by our members as the key driver of cost savings.

Our members strongly support single-sided reporting as the most effective way to cut costs. The removal of reconciliation, without imposing substitute oversight duties on non-reporting parties, could deliver substantial and immediate savings. Conversely, if reconciliation is simply replaced by new control obligations, the intended efficiency gains would be lost — or even reversed.

Crucially, assigning the reporting obligation to dealers, trading venues, or CCPs ensures that buy-side firms face minimal or negligible implementation costs, since they would not need to build new infrastructure. For some firms, the impact could be close to zero.

By contrast, any suggestion of extending MiFIR reporting duties to asset managers would merely duplicate existing requirements, creating unnecessary costs and complexity that run directly counter to the European Commission's stated objectives of cost reduction and regulatory simplification.

Option 2 appear to offer additional benefits, as it foresees a more structured approach to data re-use across MiFIR, EMIR, SFTR and fund-specific regimes such as AIFMD, UCITS and MMFR. If implemented well, this could significantly reduce duplication and allow supervisory and statistical reporting to draw from the same data set, creating lasting efficiencies.

Realising these benefits would inevitably require significant preparatory work: in-depth technical studies, adjustments to existing reporting systems, quality assessments, and adequate time for implementation. These transitional efforts are not negligible, but they would be a necessary step to ensure that the framework is workable in practice and that the expected efficiencies are fully achieved. Against this background, a comprehensive cost-benefit analysis would be essential to demonstrate whether the transitional costs of Option 2 are proportionate to its expected long-term efficiencies.