FESE response to the ESMA call for evidence on a comprehensive approach for the simplification of financial transaction reporting

Brussels, Friday 19th September 2025

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?

FESE generally agrees with the description of the key challenges outlined by ESMA, and would like to point out the following aspects:

1. Overlaps and misalignment of reporting responsibilities: One of the core issues relates to the persistent complexity and burden created by regulatory reporting overlaps and misaligned responsibilities. In particular:

1.1 Trading venues should only be required to report "on exchange transaction data" from non-MiFIR trading participants under MiFIR Article 26(5): We observe that trading venues are currently required to collect and report transaction data under MiFIR Article 26(5) from trading participants that are not directly subject to MiFIR reporting requirements. The requested data is too sensitive and primarily personal data i.e., name, surname and date of birth, and client-side details—such as aggregated order reporting obligation (INTC/XOFF) not executed on trading platforms—should be dropped from the reporting obligation and should not be shared with third parties for data confidentiality reasons. The trading venue must also ensure that the information provided by the trading participant is accurate, complete, and submitted in time to allow the trading venue to fulfil the reporting obligation towards the regulator. In those circumstances, the major problem for the trading venue is incomplete, incorrect and missing data from the relevant trading participants, as the trading venue is both responsible for the reporting and unable to ensure the quality, accuracy, and provision of some of the information. This creates a significant operational burden for venues, including the cumbersome collection of (third country) personal data within short time frames and the evaluation of the accuracy and completeness of data within tight T+1 reporting deadlines. Therefore, we suggest to restrict transaction reporting to "on exchange transaction data" from non-MiFIR trading participants, and to drop the sensitive non-MiFIR end client information such as name, surname and date of birth from trading venue transaction reporting requirements. For instance, in the US, trading venues do not report information belonging to non-US end clients.

1.2 Commodity position reporting (e.g., under MiFID) should be done by those infrastructures that have the relevant data readily available: Firms trading commodity derivatives must report their positions i.e., the amount of exposure they hold in these contracts. Given the diversity of trading channels and instruments, data relevant for position reporting may reside across different infrastructures. It is therefore important that reporting

responsibilities are aligned with the entities best placed to access and aggregate the relevant data, ensuring accuracy and completeness in the overall reporting framework.

2. Duplicative reporting of the same derivative instruments under MiFIR, EMIR, and REMIT: As correctly identified by ESMA, inefficiencies exist in the arrangements for reporting of orders, transactions and positions in European energy derivatives markets that arise from the overlapping and duplicative European regulatory frameworks for financial regulation and energy policy.

These overlapping requirements stem from the cumulative application of EMIR, MiFID/R, and REMIT, resulting in the redundant submission of the same activities. Overall, transactions in European gas and power derivatives are reported five times across different reporting arrangements, each with varying formats, imposing a disproportionate and unnecessary burden on the industry. FESE notes that this also complicates European supervisors' ability to effectively analyse data collected through these disparate channels.

Further to reporting energy derivatives under MiFIR, EMIR and REMIT, MAR Article 23(2) allows NCAs to request data from trading venues, which in practice occurs on a daily basis for all orders (MiFIR Article 25), transactions and instrument data. This adds even more to the reporting burden/complexity.

In addition to streamlining reporting requirements within financial regulation, FESE invites reflection on whether financial instruments should be exempted from REMIT reporting as they are already covered by a more comprehensive framework under existing financial legislation. Regulators should have the ability to share and leverage existing data on a need-to-know basis to avoid duplication.

3. Formats: The file formats often vary depending on the report type, and the validation controls differ by report. This adds complexity to functional support and makes impact assessments and project delivery more difficult.

4. Frequency: Some NCAs have chosen to use alternative applications to monitor the market instead of relying on RTS 24 files. This introduces the need for another layer of functional and technical support.

5. Connections with NCAs: Entities supervised by more than one NCA are required to maintain a separate physical connection with each NCA to transmit reporting information. This increases the technical support burden and can delay customer onboarding.

6. Implementation challenges: In addition to the key challenges outlined by ESMA, we would like to highlight that increased coordination is necessary not only for the development of any changes but also in terms of their implementation. A lack of alignment across stakeholders may result in operational inefficiencies and overlapping IT development efforts. To ensure the robust functioning of systems required to comply with the revised regime, and to support the correct preparedness of industry players while minimising unnecessary IT strain, greater clarity and consistency regarding implementation deadlines would be highly advantageous. FESE believes that leveraging common implementation timelines would be highly beneficial. Importantly, these common timelines should be long enough to facilitate thorough analysis, development, and testing.

7. General reporting issue - Misalignment on implementation timelines: Different types and numbers of updates in various reporting requirements take place on a frequent basis via i.e., launches of new manuals and guidelines. Though these updates might be small or big

in principle, the required technical work at the background of the trading infrastructure might need significant implementation phases. This is relatively time-consuming and sometimes also requires market participants to adapt and invest accordingly. Furthermore, especially with small updates, it is not feasible for trading venues to launch a new version of the trading system with each update coming from the regulators. This is burdensome and technically not easy for trading venues, as well as very confusing and difficult to keep up with for market participants. We would rather find it more applicable to integrate some changes all together at once in regular trading system releases, i.e., yearly. For that reason, the realistic implementation timeline of the updates in reporting requirements should be at least one year.

8. Lack of expertise: We see an opportunity to further strengthen ESMA's regulatory approach by deepening its engagement with industry practitioners. In certain cases, limited exposure to the nuances of financial products and market practices may result in regulatory requirements that are challenging to implement effectively. To enhance the practicality and efficiency of future regulations, ESMA might consider expanding its staff's access to specialised expertise from different areas of financial markets, or having far more detailed consultations with industry experts on top of the current meetings with consultative working groups when developing regulation.

FESE sees the following aspects as the biggest cost drivers:

1. Frequent regulatory changes and fragmentation

Frequent updates to regulations, combined with a lack of alignment across jurisdictions, require constant operational adjustments—resulting in elevated and persistent compliance costs. In addition to this, inconsistent terminology across regulations for the same data points increases implementation costs and raises the risk of misinterpretation, complicating compliance efforts.

2. Duplicative reporting requirements

Duplicative reporting obligations, including the need to submit both transaction-level and position-level data, lead to overlapping and inconsistent definitions. This adds complexity without delivering meaningful value, driving up unnecessary costs.

The duplicative reporting of the same derivative instruments under MiFIR, EMIR, and REMIT outlined above has resulted in different reporting channels across the reporting frameworks, which increases complexity and cost.

3. Duplication of IT systems and processes

The duplicative reporting of the same instruments (across regimes) and data (within a single report) has led to a duplication of IT systems and processes, which is an avoidable cost.

Key principles for all options

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

1. 'Preserve Information Scope'

While FESE supports the principle of preserving the information scope, we encourage ESMA to consider whether the requirements are strictly necessary for authorities to have the information they need to perform their duties. FESE advocates for maintaining the reporting regimes as simple as possible, balancing the need for information to ensure market integrity and supervision without overwhelming supervised entities with requirements beyond that sufficiency point.

Specifically:

a) Access to information should be aligned with the legally defined supervisory responsibilities of each authority, ensuring data is shared on a need-to-know basis and in line with established mandates.

b) Supervisory expectations should remain consistent with the underlying regulatory framework, avoiding the addition of requirements that go beyond the scope of the original legislation ("gold plating"). This can be achieved by the use of regulations instead of directives, clear guidance from ESMA and regular peer reviews performed by ESMA.

c) Regulators should make full and effective use of the data already available to them when conducting investigations and analysis. It is important that supervisory activities are based on complete and relevant data, particularly where such information has been provided by industry through mandated reporting channels.

d) For any future reform, FESE stresses that the unnecessary expansion of reporting fields should be avoided in order to prevent scope extension. We further call for a thorough review of existing requirements, with the removal of data elements that do not serve the objectives of their respective regimes. ESMA may reconsider their requirements and decide which information is really required and useful. We encourage ESMA to narrow the scope of reportable items. Aligning reportable fields strictly with the purpose of each framework will ease the reporting burden on industry while still ensuring regulators receive the information they need for effective oversight. This targeted approach would also enhance data quality, as market participants would be able to concentrate on the core elements that truly matter.

e) In line with the consideration that data that is costly to produce and not used should not be collected, creating a new field solely to combine data from existing fields may be unnecessary and inefficient. We also encourage ESMA to reduce operational and technical complexity where possible (e.g., regarding file formats, validation checks and processes and physical connections). Furthermore, while we understand that any change from the status quo will entail costs, we call for ESMA to avoid any unnecessary costs which would deliver no or limited corresponding benefits, favouring regulatory stability in this case.

2. 'Decrease overlaps to reduce reporting burden'

FESE recommends requiring data to be reported only once and sourced from the party best placed to provide it, ensuring efficiency and data quality across the reporting framework. Moreover, reporting could be streamlined through a central and secure access point, ensuring that all competent authorities can access the necessary information as appropriate (please refer to Q20 for more information).

3. 'Ensuring global alignment'

The principle of 'ensuring global alignment' is currently hindered by duplicative reporting under EMIR and SFTR, as well as by the reporting of ETD transactions under EMIR. Furthermore, the application of REMIT to financial instruments stands out as a regulatory outlier for the global financial trading community, imposing a disproportionate reporting burden on the industry.

4. 'Balancing Cost and Benefit'

In relation to this principle, FESE suggests clarifying that transaction reporting should focus on data readily available to the reporting entity. For instance, the identification of the end client or algorithm should only be required when the reporting chain extends outside the EU—i.e., when the internal EU reporting chain does not capture the end client. In such cases, only the final EU-resident reporter should be responsible for providing this information to ensure the relevant data is captured.

In addition, FESE highlights that existing relief mechanisms intended to introduce proportionality can be impractical in practice. For example, REMIT allows firms to forgo reporting if the event has already been reported under EMIR or MiFIR. However, since trading venues, alongside investment firms, typically only report trades (not orders) under these frameworks, applying the relief would result in orders being reported but not all trades. This creates administrative complexity for reporters and makes it more difficult for supervisors to obtain a comprehensive view of the market.

Option 1a: Delineation by instrument

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

FESE welcomes a clear delineation of EMIR and MiFIR reporting frameworks. Establishing a well-defined separation of reporting responsibilities at the outset would provide a strong foundation. In fact, the distribution of responsibilities between the reporting entities is more clearly defined when their core competencies are untouched. For instance, ETD transactions are only reported once under MiFIR by investment firms and trading venues, and OTC transactions are reported under EMIR by clearing houses. This is the key advantage of option 1a. Given the shared overlapping focus on derivatives in EMIR and MiFIR, the removal of overlap offers a practical path to significantly reducing data volumes and operational complexity.

Regarding the reporting of end-of-day positions, valuations, and collateral, we would propose to ideally completely drop ETD reporting from EMIR (i.e., ETD post-trade events, position, valuation and collateral reporting), to align with international reporting practice. This is consistent with the fact that ETD transactions are reported under MiFIR and that the position risk is sufficiently covered by CCP clearing. As a second-best option, ETD transactions should be reported by investment firms and/or trading venues, according to the current practices under MiFIR, while both ETD and OTC end-of-day positions, valuations and margins should be reported by CCPs under EMIR.

Option 1a clearly removes the reconciliation burden between investment firms, trading venues and CCPs. In our view, this option might be considered as a "report once" principle set-up for derivatives, but with different assumptions or components, as option 2 is not fully defined yet. Trading venues would report pure ETD transaction data of non-MiFIR firms, and investment firms under MiFIR would report ETD transaction data of their trades; while CCPs, which oversee managing systemic risk with the cleared data, would only report position data, margin, and collaterals. Clearing members and their clients would be obliged to report their own data concerning these two pillars (trade data and clearing data). Each organisation

reports once, and it is clearer who reports which data. In the end, ESMA can decide its needs based on these reporting channels.

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?

FESE stresses that, to fully capture the benefits of Option 1a, ESMA should carefully reassess and refine the reporting fields in EMIR (for OTC derivatives) and MiFIR pursuant to Article 26 (5) (for ETDs). The aim should be to ensure that only the information strictly necessary for regulators to monitor systemic risk and detect market abuse is included. Simply transferring all existing fields from MiFIR to EMIR (or vice versa) would create unnecessary duplication and add complexity. Instead, this process should be seen as an opportunity for ESMA to take an ambitious approach to streamlining reporting, eliminating redundancies, and enhancing both the relevance and quality of the data provided to regulators.

A key limitation of option 1a is that ESMA still suggests reporting ETD post-trade events under EMIR and intends to calculate positions based on transaction data. From a market abuse perspective, the MiFIR ETD transaction reporting should be sufficient. Since, for EMIR, the position risk is relevant, only the actual ETD positions and their changes need to be reported without any post-trade events. ETD positions and valuations should be reported by CCPs only. In general, considering that MiFIR reporting applies to ETD transactions and EMIR covers OTC and ETD position end-of-day (EOD), as well as valuation (VALU) and collateral (COLL), there is no justification for introducing further data elements. It is also important that all ETD transactions should be reported strictly as ETDs, even if executed on a non-EU exchange.

Furthermore, this option is limited in scope and hence doesn't address the overlaps in financial regulation and energy policy as described above in Q1. The burden relief for market participants is thus limited. The level of ambition should be higher considering the European Commission's target of reducing reporting burden by 25%.

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?

Option 1a aims to address the duplication of reporting in MiFIR and EMIR. It should be expanded to the other regimes named above (REMIT, MAR). Additionally, ESMA should assess whether all the currently required data points are relevant and needed. For the successful implementation of Option 1a, there is a need to ensure a proportionate number of fields required for EMIR and MiFIR transaction reports.

As expressed in our response to Q3, we support trading venues and investment firms reporting only ETD transactions, according to the current practices under MiFIR. However, we would prefer to further lighten trading venues' burden due to reporting sensitive information of end clients in transactions of non-MiFIR firms. As explained in detail in our response to Q1, paragraph 1.1, trading venues are required to verify and report sensitive information i.e., name, surname and date of birth, belonging to non-MiFIR clients. This is a significant burden on trading venues as they may frequently receive incomplete and inaccurate data from clients as well as not in a timely manner, leading to difficulties in completing their own reporting to their NCAs. This is a big limitation in the reporting performance and data quality. Thus, we would ask policymakers to consider removing sensitive information of non-MiFIR clients completely from transaction data reporting obligations of trading venues.

Also, it is important to emphasise that reporting post-trade events is unnecessary and counterproductive. An ideal separation would restrict MiFIR to ETD transactions and EMIR to OTC transactions, and drop ETD reporting completely from EMIR (i.e., ETD post-trade events,

position, valuation and collateral reporting). As a second-best option, ETD transactions should be reported by investment firms and/or trading venues, according to the current practices under MiFIR, while both ETD and OTC end-of-day positions, valuations and margins should be reported by CCPs in accordance with our responses to Q1 and Q3.

Option 1b: Delineation by events

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

Option 1b can only lead to a reduction of reporting burden for market participants if the following pre-condition is met: a clear distinction between MiFIR (transactions in derivatives - OTC and ETD) and EMIR (post-trade events of derivatives - OTC and ETD) needs to be drawn. More specifically, the focus under EMIR needs to be following its original goal, which is to address post-trade exposures and risks in derivatives. In case FESE's proposal to drop ETD reporting completely from EMIR is not retained (please refer to Q3), EMIR should also include netted valuation, collateral and margin determination of exposures between participants. A day trader with zero end of day position should thus be out of scope. Equally, trading volume (that creates and modifies the exposures) should not fall under EMIR. Only then would option 1b lead to tangible improvement.

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

The proposed delineation in terms of events would not be as feasible as option 1a.

It seems that Option 1b links post-trade events under EMIR to the transaction reported under MiFIR. This will be a more complex and costly process to manage compared to a transaction being submitted to one regime only. Many post trade events are trade specific, e.g., give ups and novations, as such it may prove very challenging to report these events when the initial trade being given up or novated is not present in the reporting data set. The option also enlarges the MiFIR scope unnecessarily by including OTC transactions into it. If that means trading venues report both ETD and OTC transactions, that would place an unfair and unbalanced burden on trading venues, on top of the requirement to report non-MiFIR clients' personal information. Trading venues do not have direct access to OTC transaction data. Therefore, we anticipate that OTC transaction information reporting under MiFIR would still be done by CCPs/ARMs/investment firms as usual. Furthermore, in contrast to option 1a, option 1b does not clearly separate entities' core competencies and empowerments, as EMIR would still cover post trade events of both ETD and OTC transactions.

It is also hard to imagine how SFTR would be integrated under EMIR and MiFIR as proposed by ESMA. Due to the distinct structural characteristics and different purposes/requirements in the design of securities financing transactions (SFTs) and derivatives, it is not appropriate to apply a uniform reporting model across both instrument types. Incorporating SFTs into the frameworks of both MiFIR and EMIR would result in increased complexity and impose additional burden on reporting processes. In addition, splitting transaction and event reporting for the same products is very inefficient, since the reporting of the same instruments would be split across regulations. As stated in Q3, the reporting of post trade events for ETDs is superfluous since ETD position reporting is sufficient to understand the risk.

The report once principle, as described in option 2, would not be harmful as it does not propose merging regulations, rather merging the reporting practices. Option 1b seems riskier in terms of potential issues in practical applications.

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?

Extending MiFIR reporting to encompass all OTC instruments is neither necessary nor aligned with the intended objective of simplification. The fundamental purpose of streamlining regulatory reporting frameworks is to reduce complexity and eliminate redundancies, not to broaden the scope of MiFIR beyond its original design. OTC instruments are already adequately covered under existing EMIR provisions, and duplicating this coverage within MiFIR would introduce unnecessary reporting burden (e.g., for trading venues to source this data from clearing houses) without delivering corresponding supervisory benefits.

Also, the proposal is limited to MiFIR and EMIR. It needs to encompass REMIT and NCA's MAR reporting to fully address the reporting framework present in European energy derivatives markets.

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

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

FESE supports the general approach to aligning the reporting requirements to achieve greater consistency.

The key advantage of option 2a is that it significantly reduces duplications that create inefficiencies within the system. To effectively eliminate duplicative reporting, the establishment of a unified reporting regime represents the most efficient and streamlined solution to achieve greater consistency. Consolidating all regulatory reporting obligations within a single framework could significantly reduce operational complexity and enhance consistency across reporting processes. Such an integrated approach could also mitigate the challenges associated with unsynchronised updates across multiple regimes and facilitate the harmonisation of data field definitions. This, in turn, could improve overall data quality, minimise discrepancies, and simplify reporting. However, as outlined in response to question Q11, FESE believes that the scope of Option 2a is still limited.

Ideally, any transaction, order or position would be reported once. Under the current reporting frameworks the same data is reported under MiFIR and EMIR. In addition, this reporting does not contain exactly the same fields and does not have the same format. A single reporting of orders would be a significant simplification.

As a word of caution, however, we need to mention as well the experience in the US with a similar endeavour. After the flash crash in the US in 2010, the Consolidated Audit Trail (CAT) was developed. Not only has it turned out to be much more time-consuming and costly than originally planned, and still is in no good shape, but the CAT recently had to cope with a severe data leakage of personal data. Such incidents must be avoided by all means. Consequently, besides comprehensive cybersecurity implementation, strict "need to know principles" would need to be applied as regards access to reported data, while data should not easily be forwarded to a wide group of recipients. While the challenges around the CAT seem to be quite severe, reverting to the original reporting is not an easy option either, as it has been decommissioned.

It is essential that any streamlining takes an incremental approach. As part of this, it may be necessary to evaluate what simplification and corrections should be addressed first, and whether these can be achieved with greater internal coordination and sharing amongst regulators. Furthermore, there may be other beneficial streamlining measures that do not require or depend on L1 changes and could be implemented in the short term via L2 or L3.

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

It is important that the single reporting template is implemented in a harmonised and efficient way by the competent authorities. Situations in which different approaches are taken should be avoided. For instance, in relation to MiFIR RTS 24, some NCAs have chosen to use alternative applications to monitor the market instead of relying on RTS 24 files, creating uncertainty and possible divergences. Similarly, redundant reporting should be reduced, as in the case where some files that were shared with the NCAs prior to the introduction of MiFID II are still requested by them even if they are redundant with ESMA RTS files. If overlooked, similar situations would clearly defy the "report once" principle and undermine the objective of harmonisation.

It is unclear how a single unified template would be structured and many unknowns persist, as it seems difficult to include SFT, derivatives and cash reporting in one template, due to the different characteristics of these products. Each regime serves a distinct regulatory purpose: MiFIR is designed to monitor and avoid market abuse, while EMIR focuses on mitigating systemic risk. As such, the data requirements and data points for each framework differ substantially and attempting to merge them into a single reporting model can be challenging. A unified template that includes additional aspects under different reporting frameworks, as opposed to selected items depending on the instrument, could lead to unnecessary complexity. A clearly defined structure is essential to effectively integrate the different reporting regimes. In our view, SFTR does not fit into a common reporting template. We see benefits in such a common template for MiFIR and EMIR, provided it is designed very carefully and reasonably and following a clear structure.

A one-size-fits-all approach between OTC and ETD may not be practical. It only works well when entities report core data elements and skip data that ESMA currently gets from various reports, but does not have a real use case. In this setup, we call for ESMA to assess whether all the currently required data points are relevant and needed, as it is apparent that not all the data collected serves a proper purpose.

While the concept of a unified "report once" principle is appealing, its implementation must be approached with caution and thorough preparation, while avoiding unfair burdening of single industry groups. The inherent differences in the characteristics of ETD and OTC instruments present significant challenges to harmonisation. These complexities should be addressed collaboratively through dedicated working groups to ensure that any proposed solution is both operationally feasible, regulatory compliant and proportionate vis a vis the affected parties.

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?

Other regimes such as REMIT and NCA MAR reporting are missing in option 2a. If not included, the overhaul will not appropriately address the reporting burden in energy derivatives markets.

Merging the reporting of different products (ETD, OTC) into one template is only possible within a clearly defined structure. This should take into consideration their different characteristics, which could be done by creating separate sub-templates.

Discussions around the common template should also consider the required format for sending the data. Today, there are differences across the supervisors with some requesting files in 'xml' format, while the others can be sent in 'flat' files. The format needs to be harmonised.

To ensure it is effective and fit for purpose, the implementation of the common template should be pursued through a structured, transparent, and collaborative process that actively involves the reporting industry. This should include clearly defined objectives, iterative

engagement through working groups and technical workshops, and a joint assessment of critical data elements based on supervisory relevance and reporting feasibility.

Realistic timelines, transitional measures, and early testing is essential to avoid a disruptive rollout. This approach will help ensure that option 2a delivers genuine simplification, cost efficiency, and regulatory effectiveness while maintaining trust and alignment between supervisors and the industry.

Option 2b: Report once principle extended

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?

The key advantage is that—by including REMIT and MAR reporting frameworks—the extended option 2b would be able to fully address the existing overlaps present in European energy derivatives markets (see also explanations under Q1) and bring maximum burden relief to market participants.

As proposed under option 2b of the ESMA call for evidence, FESE advocates for consolidating reporting within the MiFIR framework. Removing the need for separate EMIR and REMIT reporting would reduce compliance costs, making Europe more competitive and driving down energy prices.

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

The more regimes that are included the more complex the single framework might be, which just illustrates scale of the current problem. FESE warns that the move to a single reporting format that will incorporate data points from EMIR and SFTR into MiFIR (as suggested by ESMA) needs to be carefully calibrated as there are fundamental differences in the types of instruments and events that are reportable under MiFIR, EMIR and SFTR and a single reporting framework, as well as between the affected reporting parties. A uniform template needs to be carefully designed to address all of them effectively. It needs to be avoided that numerous additional fields will be inserted into the existing Article 26 MiFIR reports that will blur the distinction between the scope of MiFIR and the other reporting regimes (EMIR and SFTR). Therefore, and as expressed in Q10, we believe SFTR does not fit into a common reporting template. We see benefits in such a common template for MiFIR and EMIR, REMIT and MAR only, provided it is designed very carefully and reasonably and following a clear structure.

FESE also stresses the importance of involving energy regulators in the overhaul to ensure the creation of a comprehensive and coherent framework. FESE observes that ACER is currently drafting a significant expansion in the structure of REMIT reporting, which, rather than work toward the Commission burden reduction ambition, will lead to increased reporting burden. To ensure an effective overhaul, FESE asks the European Commission and ESMA to involve ACER in the simplification exercise for ACER to pause their current approach.

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?

The option should include order and trade reporting to NCAs under MAR. As explained above, MAR reporting is part of the reporting framework applicable in the context of energy derivatives markets.

Furthermore, it must be ensured that the reporting burden and costs will not be unfairly reallocated across the industry.

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?

As a general comment, the options proposed are not directly comparable, are not mutually exclusive, and they all present pros and cons in different aspects. We would, however, avoid option 1b, as it seems the least feasible ones. The “report once” principle under option 2 could represent a long-term solution, although it is not clearly defined yet, and it is currently the most complex one. Option 1a prescribes a clear split in the most duplicative areas, which could lead to a “report once” system for derivatives in practice. However, it does not offer a fully combined reporting process and is limited in scope. Thus, we describe below what an ideal solution should include.

We appreciate the combination of reporting regimes and the removal of duplicative reporting. The most immediate and impactful benefits could be achieved by i) splitting ETD and OTC transaction reporting along clear lines, while dropping ETD reporting from EMIR (i.e., ETD post-trade events, position, valuation and collateral reporting), and ii) combining the MiFIR and EMIR transaction reporting templates as they both cover derivatives. At a later stage, the template could be extended to other reporting frameworks, such as REMIT and MAR. Ideally, trading venues’ reporting of non-MiFIR end clients’ sensitive information should also be dropped. The requested data is too personal (i.e., name, surname and date of birth), and should not be shared with third parties for data confidentiality reasons (please refer to our answer to Q1 paragraph 1.1).

Combining transaction-based reporting under EMIR, MiFIR, REMIT and MAR into a common framework should be the overall goal, taking into consideration the objectives of simplification and cost reduction. To this end, and notwithstanding our support for consolidating reporting within the MiFIR framework, we ask authorities to consider the variety of market participants that are currently subject to one or multiple of the regulatory frameworks cited in this call for evidence. As such, the analysis for the construction of a common template should take into account the different natures of reporting stemming from different regulatory frameworks, particularly within the energy derivatives markets. We believe that a pragmatic approach would be to start with data-sharing between energy and financial authorities. Whilst policymakers work on a strategic approach to burden reduction in the regulatory framework of energy derivatives, we encourage the facilitation of data-sharing amongst supervisory authorities and to avoid adding any new—potentially duplicative—requirements in the meantime.

Last but not least, we acknowledge the importance of preserving the information scope; nevertheless, we call for ESMA to conduct a comprehensive review of the currently required data points and reconsider which ones it needs in practice. Focusing on strictly relevant information would allow the reporting entities to avoid reporting redundant data with no practical use case or clear added value.

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?

FESE would like to respond to this question by underlining that additional options should not include other transparency reporting requirements. ESMA made a deliberate decision to exclude transparency requirements, such as pre- and post-trade transparency obligations under MiFIR, from the already comprehensive approach to simplifying financial transaction reporting. ESMA has explicitly decided not to propose changes to MiFIR's interlinked reporting frameworks—including transaction reporting, reference data, and order book data. FESE explicitly supports this, not alone due to the following reasons:

1. Distinct regulatory objectives

Transparency requirements serve a fundamentally different purpose than transaction, position reporting, or any other reporting, and hence the technical set-up and the time component (as well as the needed format) are significantly different compared to the regulatory reporting examined in this call for evidence. While transaction reporting is designed to provide regulators with granular data for market surveillance, supervision, and risk monitoring, transparency obligations aim to ensure market participants have access to real-time information that promotes price formation, liquidity, and fairness. The CTP has been installed to provide this transparency in an aggregated form, while transparency data per se have been and continue to be of commercial interest to trading venues in many ways, while being an important area of revenues for funding exchange operations.

2. Complexity and market sensitivity

Real-time transparency requirements are highly sensitive to market structure and trading behaviour. Any changes to pre- or post-trade transparency rules can have immediate and material impacts on liquidity, competition, and execution quality. These rules are also closely tied to venue obligations, waiver regimes, and data publication standards, which require separate and specialised analysis. Including transparency in a broad simplification initiative could introduce unintended consequences and provoke resistance from market participants concerned about the implications for trading strategies and market access.

3. Ongoing reforms and stability

Real-time transparency requirements have already been subject to recent and ongoing reforms, particularly under the MiFIR Review and the Consolidated Tape initiative. These efforts are still being implemented and evaluated. Introducing further changes in parallel through the call for evidence would risk regulatory overlap, confusion, and implementation fatigue. By excluding real-time transparency, ESMA avoids disrupting these parallel processes and ensures that the simplification initiative remains complementary rather than conflicting.

4. Focused stakeholder engagement

The exclusion allows ESMA to engage stakeholders more effectively. Market participants can provide focused feedback on transaction reporting burdens—such as duplication across EMIR, SFTR, and MiFIR—without being distracted by broader transparency debates. This improves the quality of input and increases the likelihood of actionable outcomes.

5. Legal and technical boundaries

Transparency obligations are governed by different legal provisions and technical standards than transaction reporting. Attempting to harmonise or simplify both simultaneously would require navigating distinct RTSs, data models, and reporting channels. This would significantly complicate the scope and timeline of the initiative.

ESMA's decision to exclude transparency requirements from its call for evidence is a strategic and pragmatic choice. It reflects a clear understanding of the regulatory landscape, respects

the distinct purposes of different reporting regimes, and ensures that the simplification initiative remains focused, feasible, and effective. By narrowing the scope, ESMA enhances the potential for meaningful reform in transaction reporting while maintaining stability and clarity in transparency obligations.

Additional cost reduction considerations

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?

The consolidation of reporting channels and flows for transaction data could be expected to reduce complexity, minimise the risk of inconsistent data submissions, and alleviate the operational burden on reporting entities.

Nevertheless, further consideration is needed, as consolidation can pose operational and supervisory risks, resulting in a disproportionate burden for the entity managing the consolidated channel and reducing existing buffers for regulatory oversight and compliance. It should not be assumed that the expected benefits will outweigh these risks: consolidating reporting channels and flows could not result in a meaningful reduction in costs or complexity for reporting entities.

Therefore, FESE calls for further consideration on this topic, while recommending a centralised hub under ESMA's technical oversight for transaction data only, as explained in more detail in Q19.

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?

The reporting channels should follow the primary source principle: data readily available to the reporting entity should be reported by such. Further transferring of reporting under MiFIR and EMIR to trading venues would put an unnecessary administrative burden on them, especially in those cases where they do not directly have access to the required information.

For transaction reporting under MiFIR Article 26(5), trading venues are required to report transaction data from trading participants that are not directly subject to MiFIR. This creates a significant operational burden for venues, including the cumbersome collection of personal data within short time frames and the evaluation of the accuracy and completeness of data within tight T+1 reporting deadlines. We would ask ESMA to drop the sensitive non-MiFIR end client information such as name, surname, and date of birth from trading venue transaction reporting requirements (please refer to Q1 paragraph 1.1).

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?

FESE recognises the need for a streamlined reporting approach and highlights that improved data sharing between supervisory authorities, also with the creation of a centralised hub for transaction data within ESMA, under a strict need-to-know principle, could enhance efficiency, reduce duplication, and foster improved coordination between regulatory authorities. This would lead to substantial cost reductions across infrastructure maintenance, incident management, and data processing.

FESE would like to highlight the technical dimension of this centralised hub within ESMA, particularly in relation to the responsibilities and access to data that should remain with the

NCAs. The transaction data reported would feed into this central hub, where ESMA and NCAs could access it (similarly to existing ESMA data hubs like TRACE and TREM) in order to leverage it for their supervisory duties, while ensuring access by NCAs only and under a strict need-to-know principle.

To this end, a centralised hub for transaction data under ESMA's technical oversight could offer meaningful benefits if supported by strong governance and compliance with supervisory boundaries. It should be acknowledged that this is a long-term project that will require careful design and consideration. At the same time, it is important to recognise that there can be no one-size-fits-all approach. Market participants differ significantly in how they organise their reporting, with some relying heavily on established local infrastructures while others may be better positioned to restructure their arrangements in a more consolidated and centralised manner. Any future framework should therefore take into account the diversity of market structures and operational dependencies across jurisdictions.

We would also like to point out that any EU data space for regulatory data creates risks of data loss and leakage—hence, access must be restricted to need-to-know only and apply strong cybersecurity. Such risks can be witnessed in other jurisdictions. The US SEC recently reported a significant data leak involving the Consolidated Audit Trail (CAT), which exposed sensitive market data, raising concerns about the security of the system. The SEC has implemented measures to mitigate potential security risks, including exempting certain personally identifiable information (PII) from being reported to the CAT. Such risks may be elevated through overly and unnecessarily broad access rights, going beyond the need-to-know principle. The data should not be automatically or systematically forwarded to a wide group of recipients. Adherence to this principle, as well as strong cybersecurity measures, could contribute to avoiding the above scenarios.

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.)

As mentioned in the previous response, FESE acknowledges the importance of a more streamlined reporting framework and stresses that greater data exchange among supervisory bodies, supported by the establishment of a centralised hub at the ESMA level, could improve efficiency, minimise overlaps, and strengthen coordination between regulators.

At the same time, it should be acknowledged that this is a long-term project that will require careful design and consideration. It is important to recognise that there can be no one-size-fits-all approach. Market participants differ significantly in how they organise their reporting, with some relying heavily on established local infrastructures while others may be better positioned to restructure their arrangements in a more consolidated and centralised manner. Direct reporting to the central ESMA hub could entail operational challenges, supervisory risks and considerable costs that may not outweigh the benefits. Furthermore, centralising the setup would require harmonising file formats and standardising the processes used to manage those files—particularly the validation checks, error handling, and feedback mechanisms. Integrating diverse existing regimes and reporting channels might present some challenges. In short, this is a long-term project, and any future framework should therefore take into account the diversity of market structures and operational dependencies across jurisdictions.

As a general comment, we would like to underline that attention must be given to maintaining high-quality data for supervision and allowing sufficient time for coordinated implementation of changes. As an example, FESE had reservations about potential data quality issues that may arise from ESMA discontinuing specific reporting flows from FITRS and DVCAP, and relying solely on transaction reporting. We believe it would have been more

valuable for ESMA to focus first on refining transaction reporting before considering potential efficiencies.

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

In principle, FESE Members are open to new technologies that facilitate the reporting process. DLT and Smart Contracts seem promising, provided they prevent duplicative reporting and facilitate the reporting process (e.g., through simple end-to-end identification of a given instrument). However, in the current landscape, we do not see any tangible advantages yet in applying DLT or Smart Contracts for reporting purposes, given the complexity and limited compatibility with established reporting frameworks. Their integration into existing financial and regulatory reporting infrastructures presents significant challenges. Efficiencies and real benefits would be achieved if regulatory rules could be directly embedded into the structure of the reporting files, allowing them to automatically update overnight in response to regulatory changes—enabling a dynamic and adaptive approach. A gradual, step-by-step approach is recommended.

A sensible long-term solution would be a standardisation of DLT contracts, allowing regulators to access the needed data with no need for separate reporting. However, it is unlikely that DLT contracts will replace all other financial contracts, and it would therefore only be a partial solution.

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?

Under EMIR core CCP data is currently reported EOD T+1. For this type of reporting, reducing it to weekly or monthly basis would not be a burden reduction. Keeping in mind the relevance of monitoring the actual data, we recommend keeping the current reporting frequency for EMIR.

In addition to this, we would like to reinforce our suggestion to drop from trading venue transaction reporting requirements the sensitive non-MiFIR end client information such as name, surname and date of birth (please refer to Q1 paragraph 1.1). If that is not possible, a modification of the reporting deadline would be beneficial under the general objective of reducing the reporting burden. Trading venues are required to report non-MiFIR transactions by T+1 23:59. However, RTS 24 mandates that client data from audit trails be collected by the same T+1 deadline. As trading venues report on behalf of non-MiFIR members but lack direct access to end-client data, they depend entirely on its timely provision. This overlap leaves no time for validation and preparation of accurate reports, especially for members in different time zones. Additionally, under RTS 23, reference data submitted after 18:00 on T is processed on T+1, causing transaction reports to fail due to unknown ISINs.

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?

The originally proposed focus areas remain highly relevant and should be prioritised, regardless of the chosen implementation model. Clear regulatory objectives must guide the process, particularly in the areas of elimination of duplicative reporting and avoidance of uncoordinated changes and inconsistent field definitions.

We reiterate our recommendation to apply the Primary Source Principle, whereby data is reported directly by the entity that originates it. For example:

- T+1 transaction data should be reported by investment firms and/or trading venues according to existing practices defined under MiFIR.
- ETD post-trade events, position, valuation and collateral reporting should ideally be dropped from EMIR; if not possible, this data should be reported by CCPs along with OTC position data (including open OTC contracts, valuation, and collateral data). Please refer to Q3 for more details.
- Sensitive data of non-MiFIR clients, such as name, surname, and date of birth, should be dropped from the trading venue reporting requirements (please see our answer to Q1 paragraph 1.1).

This approach would enhance data quality, reduce reconciliation efforts, and support a more efficient and coherent reporting framework.

Proportionality should also be considered when comparing EU reporting requirements to those of other major financial markets. The overreporting required by EU regulation, especially ETD reporting under EMIR, is creating competitive disadvantages without justifiable benefits.

High-level impact analysis based on available data

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 ongoing 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?
