

EMIR Refit Transaction Reporting Factsheet

BNP Paribas
2023



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REGULATORY CONTEXT

Following the adoption, in 2019, of [Regulation \(EU\) 2019/834](#) (EMIR Refit), amending the initial [Regulation \(EU\) No 648/2012](#) (EMIR), the European Commission further adopted, in June 2022, two texts detailing the new reporting rules for Over-The-Counter (OTC) derivatives and for Exchange Traded Derivatives (ETD) under EMIR:

- The [Delegated Regulation \(EU\) 2022/1855](#) (the Regulatory Technical Standards for EMIR Refit Reporting, or RTS) specifying the minimum details of the data to be reported to trade repositories and the type of reports to be used
- The [Delegated Regulation \(UE\) 2022/1860](#) (the Implementing Technical Standards for EMIR Refit Reporting, or ITS) detailing the standards, formats, frequency and methods and arrangements for reporting

These were later complemented, in December 2022, by the publication of the [ESMA Guidelines for Reporting](#) (along with the [Validation Rules](#) and the reporting instructions for incoming and outgoing messages). These guidelines aim at enhancing the harmonisation and standardisation of reporting under EMIR by clarifying the applicable rules.

The new reporting rules set out in the RTS and ITS **apply from 29 April 2024**. New derivative contracts from this date onward should be reported according to the new rules. Every live contract as of 29 April 2024 should be reported according to the new rules within 180 days of the Go-Live date.

MAIN IMPACTS

Entities Responsible for Reporting (ERR) will have to modify their current reporting to take into account new constraints: new fields to be reported, modification of the reporting rules or formats for some existing fields, introduction of new operational processes.

Here is a summary of the main changes introduced by EMIR Refit:

1. NEW DETAILS TO BE REPORTED ON COUNTERPARTY 2

As per the Annex of the RTS, the reporting messages sent for Counterparty 1 will have to include new information on Counterparty 2:

- **Nature of the counterparty 2:** FC, NFC, CCP, other
- **Corporate sector of counterparty 2:** depending on the nature of the counterparty
- **Clearing threshold of counterparty 2** (to confirm if the counterparty is above the Clearing threshold): True or False
- **Reporting obligation of counterparty 2:** True or False

2. LEGAL ENTITY IDENTIFIER

The EMIR Refit ITS sets out that, now that the global legal entity identifier ('LEI') system has been fully implemented, **each counterparty to a derivative or entity responsible for reporting should only use LEIs to identify a legal entity in a report.**



Consequently, as per Article 8 of the ITS, **corporate restructuring events resulting in a change of LEI for a counterparty shall also be notified to the trade repository** to which the counterparty reported its derivatives.

3. ALIGNMENT ON INTERNATIONAL STANDARDS: GLOBAL UTI, UPI

As stated in the Article 7 of the ITS, **derivatives shall now be reported using an ISO 23897 Unique Transaction Identifier (UTI)** as trade reference. The global UTI is a cross jurisdictional reference (i.e. for a trade eligible to several jurisdiction, the same UTI should be reported) that is common to both parties of the transaction. Section 4.11 UTI generation of the Guidelines describes the rules to determine which entity is responsible for the UTI generation.

The counterparty generating the UTI shall communicate it to the other counterparty in a timely manner and no later than 10:00 a.m. UTC of the working day following the date of the conclusion of the derivative.

UPDATE → BNP Paribas will continue to include the UTI in our trade confirmations. Where BNP Paribas is the UTI generator, the UTI will be available via the DTCC Alleged Trade Activity Report for cases where the confirmation is delayed.

Article 6 of the ITS introduces an **obligation to report an ISO 4914 Unique Product Identifier (UPI) for all the instruments for which no ISIN could be reported**. UPI will be retrieved from ANNA DSB.

UPDATE → BNP Paribas intends to add the UPI to the confirmations. However, we are unable to confirm yet when this will be completed.

4. INTRODUCTION OF AN “EVENT TYPE”

In addition to the “Action Type” (New, Modify, etc.), a **new field “Event Type” (Trade, Clearing, Allocation, etc.) becomes mandatory**. The possible Action and Event type combinations, at trade and position levels, are set out at section 4.6.2 of the ESMA guidelines.

5. UPDATE TO EXISTING FIELDS

Beyond the new information to be reported, the **format or the reporting rules have been modified for some fields already being reported**.

As an example of reporting format change, in field 10 of the Common data table (Contract type,) Forward contracts initially identified as ‘FW’ shall now be identified with ‘FORW’.

As an example of change in the reporting rules, field 81 of the Common data table (Fixed rate or coupon payment frequency period leg 1), was enriched with 2 additional possible values: ‘ADHO’ for ad-hoc payments and ‘EXPI’ for payments at term.

6. NOTIFICATIONS OF THE ERRORS AND OMISSIONS

Article 9 of the ITS introduces **an obligation for the ERRs (which includes FCs or NFCs+ that have delegated their reporting) to notify their NCAs of all significant errors or omissions in their reporting as soon as they become aware of them**.

Instructions and a template for notification to NCAs of the data quality issues are included in the ESMA validation rules. The notification shall indicate at least the type of the error or omission, the date of the



occurrence, scope of the affected reports, reasons for the errors or omissions, steps taken to resolve the issue and the timeline for resolution of the issue and corrections.

7. NEW REPORTING FORMAT

Article 1 of the ITS requires the reports to be provided in a XML template compliant with the ISO 20022 standard.

8. MASTER REGULATORY REPORTING AGREEMENT

The Master Regulatory Reporting Requirement (MRRA) that sets out the common terms governing delegated reporting of derivatives transactions under EMIR is expected to be updated for EMIR Refit Reporting. An industry initiative is on-going on the topic.

NEXT STEPS

BNP Paribas will comply with these new obligations when it is Reporting Submitting Entity (RSE), which includes its own reporting and the reporting performed on-behalf of our clients. A project is currently on-going to update our reporting chain in time for next year go-live.

In this context, additional communications might be sent to our clients in the coming months, notably to collect the potential missing information in our systems required to meet the new obligations.

FURTHER QUESTIONS

Should you like to discuss this factsheet, or any of the information or documents referenced in it, please do not hesitate to contact emir.refit.clients@bnpparibas.com or your usual BNP Paribas relationship or sales contact.

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