

**REPLY FORM BY THE SPANISH CNMV ADVISORY COMMITTEE TO THE ESMA CALL FOR EVIDENCE “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 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?**

The Spanish CNMV Advisory Committee welcomes the opportunity to comment on the ESMA Call for Evidence on a comprehensive approach for the simplification of financial transaction reporting (ESMA12-437499640-3021), dated on the 23rd June 2025, in the consultation open until 19 September 2025.

The Advisory Committee broadly agrees with ESMA's overall assessment of the challenges and wishes to provide comments on a number of additional points, as outlined below.

This Committee strongly endorses the European Commission and ESMA's efforts to reduce regulatory burdens and simplify the current reporting framework.

A consistent regulatory environment that is agile and cost-effective would significantly enhance the competitiveness of EU financial markets. In light of today's shifting global geopolitical landscape, repositioning the EU as a jurisdiction conducive to business would be highly beneficial for its financial markets and broader economy.

In this sense, we would like to highlight the key issues identified in this section as the main cost drivers:

**1. Duplication of IT systems and processes**

The Advisory Committee considers that the primary cost driver is the duplication of IT systems and processes. This is further exacerbated by the need to maintain multiple connections between market participants, authorities, and different reporting entities. This fragmented infrastructure results in significant operational inefficiencies and increased costs for all stakeholders.

**2. Frequent regulatory changes and lack of flexibility to enable a phased implementation, synchronization and coordination of the changes in the different reporting regimes.**

ESMA points at the frequent regulatory changes as one of the main drivers of compliance cost and time and resources consumption, with what we agree. The current fragmented scene is the consequence of almost two decades of regulatory proliferation.

These frequent updates to reporting frameworks place ongoing pressure on IT, operations and compliance teams. This burden is exacerbated by a lack of harmonisation across regulations, the absence of phased and coordinated implementation, and unsynchronised timelines.

These factors force firms to manage parallel development streams with limited resources, increasing complexity and reducing overall efficiency.

### **3. Duplicative reporting of the same derivative instruments under MiFIR, EMIR, and REMIT**

The alignment of the different reporting requirements would allow to achieve effective reporting consistency and reporting entities effort reduction.

To ensure a more comprehensive, cost-efficient and future-proof approach to regulatory reporting across different regulatory frameworks, conduction of proper impact assessment is needed. Hence, we advocate for the implementation of thorough fact-based impact and cost assessments before proposing new regulation or amendments to the existing regimes.

These factors represent the most significant sources of cost and inefficiency for market participants, authorities, and the wider reporting ecosystem. However, the review should be done thoroughly across the different rules and review mandates given to ESMA, especially taking into account to what extent quality and consistency of reported data is needed and guaranteed as the basis for the reporting. In this sense, we appreciate ESMA's move to make a comprehensive analysis of the current situation with enough time ahead of March 2028 to properly refine findings and conclusions.

A consistent approach would necessarily imply a higher degree of coordination across teams and units within National Competent Authorities (NCAs), ESMA and the EC so that the production of different, divergent but overlapping pieces of regulation that are very similar in nature and purpose is avoided. Improved coordination should be sought also regarding the implementation timelines. Better planification of roll-outs phases would prove beneficial for all implied stakeholders (e.g., NCAs, authorised reporting infrastructure providers or obliged firms) and would help ensuring a most effective implementation of significant regulatory changes.

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

The CNMV Advisory Committee generally agrees with the overall proposed principles, although the list may not be exhaustive.

Specifically, we would like to comment on the following principles:

- Preserve information scope. We agree with the general description of this principle (i.e., changes must not unduly restrict the information needed by authorities and other entities to perform their supervisory and other duties and gaps should be assessed and addressed, based on actual use of data). Delivery of this principle can be achieved through both the assessment of data needs by supervisory authorities and the amount of data collected. In this regard, we advocate for an exhaustive review of the data required to perform supervisory duties adequately.
- Decrease overlaps to reduce reporting burden. We would advocate for full elimination of overlaps or, where elimination is not possible, minimization of overlaps.
- Ensure global alignment. This principle is not always feasible due to differences among regulations that fall out of the scope of this review. For instance, the US Dodd-Frank Act only covers OTC derivatives reporting, as ETDs are already supervised under other existing regulations. Likewise, the equivalent of the MiFIR transaction reporting obligations in the US is covered by different regulations such as Dodd Frank, Alternative Trading System and Commodity Exchange Act, with enforcements on exchanges and OTFs that complement the transaction reporting performed by market participants.

In addition, EU policy makers should be able to device features that make EU more appealing than other jurisdictions.

Therefore, although this alignment is a desirable goal, the ultimate objective should be to reduce the reporting burden while preserving the information scope required by the different EU regulations and ensure a future-proof and competitive solution with the required technological capabilities to support all needs and achieve an efficient and useful framework.

- Balance cost and benefit. This principle shall play a pivotal role in defining the nature, amount and frequency of data to be reported. Considering there is time enough for the March 2028 deadline, we would advocate for an exhaustive impact assessment and cost analysis in this regard to find a balance that ensures an EU business-friendly approach while maintaining sufficient supervisory capacity to preserve market integrity and transparency.

In addition, we would suggest two additional principles: (i) comprehensiveness and (ii) future-proof review. It is paramount to ensure that changes to the reporting framework are long-lasting and exhaustive (i.e., the review duly address the reporting needs of all asset classes and not only of derivatives). Changes to the reporting regime/s should avoid bringing in extra complexity and should remain as simple as possible and not beyond what is strictly needed to allow for efficient supervisory tasks by authorities.

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

The main advantage of Option 1a lies in its apparent simplicity, and as a result of the impact and time of implementation assessment of other options, it could be considered as an intermediate option to reach Option 2 as it is stated in answer to Q15. Splitting the reporting between ETD and OTC transactions (including post-trade events) appears simpler to implement than other options, particularly compared to Option 2. This simplicity may facilitate quicker adoption by market participants and reduce initial implementation complexity. However, the ability to deliver substantial reduction of regulatory burden and compliance cost might be limited, as it only address some challenges within the current framework.

In particular, Option 1a effectively removes duplicative reporting of OTC and ETD transactions. Thereby streamlining the data flow between regimes.

It also address inconsistencies in terminology, contributing to a greater harmonisation across reporting standards.

The principle of dual-sided reporting is also covered under this option, which may simplify obligations for reporting entities.

While intragroup reporting and reference data duplications are not explicitly mentioned, they could potentially be accommodated within the scope of Option 1a, depending on its final implementation and supporting guidance.

Despite these advantages, several critical issues remain unresolved.

Option 1a does not address elements such as the frequent regulatory changes and lack of flexibility to enable a phased implementation, synchronization and coordination of the changes in different regimes.

The requirements to report both transactional-level and position-level data is also left unaddressed.

Furthermore, the fragmentation of different reporting channels across MiFIR, EMIR, SFTR and REMIT persists, with entities continuing to report through separate infrastructures governed by distinct logics. This structural separation contributes to the duplication of IT systems, as entities, approved reporting mechanisms (ARMs), trade repositories (TRs), and authorities must maintain parallel frameworks for OTC and ETD reporting.

These constraints indicate that although Option 1a brings certain efficiencies, it falls short of addressing the broader challenges in a meaningful way. Therefore, in the absence of a thorough review of the reporting framework aimed at genuinely streamlining the EU regulatory reporting regime, Option 1a may be seen as a marginal gain rather than a transformative solution.

Moreover, although it seems to align with other jurisdictions, like the US, the gaps with other US regulations governing market abuse and systemic risk on derivative markets, hinder a complete alignment. Due to these regulatory differences between EU and US regulations, the obligation for market participants to report derivatives (OTC and ETD) transactions under

MiFIR is essential to enable effective supervision oversight of derivative markets. Likewise, EMIR supervision requires the reporting of ETD transactions and positions to adequately monitor systemic and counterparty risks.

**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?**

Some limitations of the proposal have already been outlined but a more detailed analysis of the limitations and risks identified is provided below:

1. Even though ESMA indicates that this option is without directly changing the legal set up for the current reporting channels and the relevant infrastructures to collect the data, it is not further elaborated and it might not be the case.
2. It is not outlined by ESMA how would the relevant supervisory authorities gather the information needed for the purpose of each respective regulations (MiFIR/EMIR):
  - a) Reduction of the scope of MiFIR data: Supervisors would stop receiving OTC transactions via MiFIR channels. It is not clear to what extent, getting OTC transactions from EMIR reporting with the absence of MiFIR-specific fields, could hinder effective monitoring of market abuse.
  - b) Loss of ETD data in EMIR reporting: The EMIR reporting data will lack ETD transactions. It is not indicated how would it be covered. If not covered, systemic risk calculation would not consider positions opened through ETDs. If EMIR data information would need to be reported under MiFIR for ETDs (to be confirmed), it would significantly increase the complexity of this reporting.
3. **Potential incomplete post-trade events data:** If ETD post-trade events are sourced from CCPs, these infrastructures do not have the details about the final counterparties to the trades when customers positions are aggregated in an omnibus account. That is information exclusively owned by the Clearer. To solve this lack of information, EMIR would have to be modified to impose a new obligation for Clearers to inform the CCP about final customers, increasing the costs of adaptation.
4. **New requirements for CCPs, ARMs and TRs:** if positions are to be calculated based on transaction flows reported by CCPs, ARMS and TRs, it might imply a technically demanding process that carries a significant risk of inaccuracies.
5. **Misalignment with regulatory objectives:** In essence, option 1a seems to bring complexity to marker participants, authorities, market infrastructures, ARMs and TRs

while the scope of the data reported under the two regulations seems to be misaligned with the EMIR and MiFIR purposes.

6. **Implications of single-sided reporting:** It is not explained by ESMA to what extent removing dual-sided reporting obligation would impact data quality and its monitoring and the implications of such removal. The identification of underreporting (via pairing results), misreporting or different interpretation of the regulation by different firms (via matching results) could no longer be achieved thus affecting the reliability of the data used by NCAs.

The adaptation of the EMIR template to cover MiFIR fields in order to cover the data points used for market abuse surveillance would provide benefits for those market participants that are obliged to report the same derivative transactions under MiFIR and EMIR, reporting in one single reporting and avoiding duplication. It is not outlined if and how could it be done without changing the legal set-up. It is not indicated how would it affect to the current reporting service infrastructures and to what extent these entities could channel this report and eventually provide both MiFIR and EMIR feedback to authorities and ESMA.

**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?**

While some of the key limitations of Option 1a have already been outlined in the previous responses, we provide below a more detailed analysis of the remaining gaps and their implications for implementation and supervisory effectiveness.

Option 1a does not adequately address some critical issues:

- Reduction on the frequency of regulatory changes and lack of flexibility to enable a phased implementation, synchronization and coordination of the changes in different regimes
- Intragroup reporting
- Reference data reporting duplications, although it could be accommodated
- Different reporting channels across regimes
- Duplication of IT systems

Some of them are of outmost importance, as they are key drivers for the regulatory costs.

**1. Reporting channels and duplication of IT Systems**

Redirecting EMIR and MiFIR flows depending on the venue where the trades were concluded does not reduce the burden on duplicated reporting channels.

Entities that provide MiFIR services (ARMs, and third parties): It is not foreseen how it could affect their current activities and requirements and, specifically, if EMIR data is to be reported under MiFIR, how they would be required to implement new functionalities mirroring those from the TRs or would need to build systems and control frameworks to further validate the reporting data (including permission and logical validations), calculate trade states (present and historical), position calculations and warnings as well as complying with other requirements such as the 10-year recordkeeping obligation.

## **2. Data access to EMIR ETDs**

According to EMIR, TRs have a 10-year recordkeeping obligation. Shifting the ETD flows only to MiFIR channels could impact both the continuity and the complexity of data access:

- MiFIR reporting channels are currently unprepared to record EMIR data types (trade activity, trade states, reconciliation, rejection, warnings, position calculation, etc.). Also, shifting this data reporting to them would require the implementation of costly procedures (Portability)
- NCAs are currently able to request TRs to provide ad-hoc reports (activity, state) for ETDs. This option would no longer be supported under option 1a.

## **3. Reporting and data quality**

Currently, TRs perform validations over reported data based not only on the information reported in the lifecycle event itself and on reference data (e.g., ISINs, UPIs, GLEIF, country and currency codes, etc.), but also on the history of such trade (logical validations) and on the latest state of such trade. Under option 1a, ETDs could only reach such level of validation if MiFIR channels would replicate current TR infrastructures in case that EMIR data were reported under MiFIR. Otherwise, ETDs data would be lost.

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

This option aligns the scope of both regulations with the information reported under each one: Transactions to detect market abuse would be reported according to MiFIR, while trades and positions to monitor systemic and counterparty risks would be under EMIR. It avoids duplications to either reporting frameworks. However, it limits the capacity to link transactions with post-trade events.

While delineation between transaction activity covering both ETD and OTC might look like a simple to deploy approach, its implementation cost and complexity might be higher than Option 1a, especially when it comes to the role to be played by trading venues for reporting of OTC transactions.

Nevertheless, there is information that would be lost for the purposes EMIR supervision, as ETD transactions are necessary in some scenarios to properly assess EMIR-related risks.

An analysis on who and how the calculation of open positions on derivatives should be done as the TR would only have access to limited data given that all transactions are to be reported under MiFIR.

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

As outlined in our response to Question 6, Option 1b presents several structural and operational challenges that raise concerns regarding its feasibility and effectiveness.

The main limitation is the “difficulty to monitor the integrity of EMIR data”.

Specially, reporting transactions to an ARM (under MiFIR) and the subsequent post-trade events to a TR (according to EMIR):

- Introduces high complexity to link transactions with post-trade events (e.g., valuation updates, margin updates).
- Fails to address the issue on frequent regulatory changes and lack of flexibility to enable a phased implementation, synchronization and coordination of the changes in different regimes.
- Does not resolve the issue on different terminology if such terminology varies between transactions versus post-trade events reported to the TRs.
- Does not address the issue on different reporting channels and even exacerbates it. Entities currently reporting only under EMIR to a TR might have to engage with both an ARM (for the reporting of transactions) and with a TR (for the reporting of valuation updates, margin updates, etc). This is particularly relevant for SMEs, for whom the cost would be significant.
- IT systems would still need to be duplicated, both for reporting entities and for NCAs.

#### **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?**

In addition to the limitations referred to in the response to Q6 and Q7, splitting transaction reporting from post-trade events reporting would:

- Limit the capacity for TRs to perform validations on the data reported as currently do, given that there are multiple validations that are not self-contained in the valuation/margin reports, but depend on the latest state of the derivative.



- Limit the capacity for TRs and NCAs to link post-trade events with their associated contract or contracts (e.g., for margins reported at a portfolio level).
- Limit current capabilities from TRs to highlight to entities and NCAs missing or outdated reports (warnings)
- Introduce an obligation for entities that currently report only under EMIR to also report their transactions to an ARM, under MiFIR. This will also have a bigger impact on mid-sized and smaller entities.
- From a cost perspective, because the relationship between reporting volumes and costs are not linear, lower reporting volumes may not result on a decrease on the fees from TRs/ARMs to continue being cost-based, resulting in no tangible cost reduction for participants.

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

The alignment of the different reporting requirements would allow to achieve effective reporting consistency and reporting entities effort reduction. The use of one single template would bring the benefit of avoiding duplicative reporting (MiFIR-EMIR or MiFIR-SFTR), without requiring any reduction in the current scope of data reported under these three regulations.

The CNMV Advisory Committee supports an integration of the reporting requirements across the different frameworks currently in place as the way to achieve effective simplification and cost reductions for supervisory authorities, reporting firms and infrastructure providers.

In this regard, a “report once” approach would allow economies of scale for supervisors, obliged entities and reporting infrastructure providers. It also seems the shortest line between the currently complex network of requirements, overlaps and misalignments, and a simplified approach.

It would ensure that the same instrument is not reported twice even if reporting is required by different pieces of regulations, hence pursuing different objectives.

This solution better addresses the issues highlighted by ESMA, as it would:

- Introduce a single template for reporting which would ensure coordination of changes in different regimes.
- Remove duplicative reporting between EMIR and MiFIR, and align terminology.
- Be compatible with changes on intragroup reporting and reference data reporting.
- Simplify reporting channels.

- Remove duplication of IT systems.

Option 2a would avoid duplication that create inefficiencies within the system. Any transaction, order or position would be reported once.

It seems reasonable that any streamlining exercise follows an incremental approach through the prior assessment of the simplification and correction measures that need being addressed first.

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

As option 2a represents a more ambitious approach compared to options 1a and 1b, it seems also more complex. Therefore, it might demand higher effort, resources and longer implementation planning.

Option 2a should in principle aim at providing a fully integrated reporting framework where all sort of obliged entities, whether financial counterparties or non-financial counterparties, can leverage to comply with applicable reporting requirements under MiFIR, EMIR and SFTR under a unified / standardised data collection template.

One single template based on the MiFIR one can be applied for MIFIR and EMIR reporting. Nevertheless, for post trade events and position reporting it may be more efficient to keep the current EMIR template, as these reports are subject to EMIR only.

Unlike EMIR and MiFIR, SFTR does not share as many data points with MiFIR. However, even in this scenario, certain post-trade events such as margin updates could be reported for EMIR and SFTR using the same templates. In addition, reporting a single EMIR/MiFIR template to the regulated reporting service infrastructure would help reducing the overall costs by streamlining reporting channels.

#### **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?**

While CNMV Advisory Committee would favour to focus the analysis on the reaching point rather than onto the details of the options, the following elements could be further elaborated:

1. Reporting format. Reporting formats are essential to ensure a fit-for-purpose and cost-efficient data reporting to the supervisory authorities. The selection of an adequate format/protocol may have positive impact on the obliged entities and infrastructures, while choosing a suboptimal format/protocol might pose negative impact, complexity and costs for obliged entities, infrastructures and supervisory authorities.

2. Validation rules. An updated set of validation rules might be needed to allow obliged entities, reporting infrastructure providers and supervisory authorities to effectively cope with a wider set of data points to be collected and submitted.

3. Challenges in fitting data into a single template. Fitting all reporting data into the single template might be challenging for certain entities and for certain use cases. This could be mitigated by allowing reporting entities the flexibility to choose between submitting two sets of reports (EMIR and MiFIR individually) or the single 'common' report.

On their end, regulated reporting service infrastructure could consolidate the information internally in their databases, and make it available to Authorities using always the single format. This would provide flexibility to the market in terms of adaptation to the new regime, as well as the use of one or the other approach depending on specific use cases. At the same time, this flexibility would be transparent for Authorities.

4. Involvement of regulated third-party vendors. Currently, there are major unregulated entities such as third-party vendors, not necessarily based in the EU, that play a critical role on the reporting process. Implementing option 2a through authorized and supervised entities (ARMs or TRs under ESMA oversight) would mitigate risks associated with these vendors.

**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 alignment of the different reporting requirements would allow to achieve effective reporting consistency and reporting entities effort reduction.

The CNMV Advisory Committee supports an integration of the reporting requirements across the different frameworks currently in place as the way to achieve effective simplification and cost reductions for supervisory authorities, reporting firms and infrastructure providers.

In this regard, a report once expanded builds upon the simplification benefits that option 2a puts forward and extend it into additional reporting requirements derived from reporting frameworks to which many of the obliged entities under MiFIR, EMIR or SFTR are also subject.

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

Trying to fit all use cases from multiple regulations into the same reporting template may create such reporting unnecessarily complex or costly to implement in a first instance.

As it offers long-term potential, we believe this should be analysed at a later stage. Introducing additional frameworks from the outset might overcomplicate the initial implementation.

**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?**

Whereas the implementation of the single template might be too complex at a first stage, there are other simplification aspects that could be achieved in the meantime for other regulations.

For example, even if maintaining the existing reports, reporting to the reporting infrastructure providers, not only EMIR, SFTR and MiFIR but also other regulations such as REMIT may:

- Reduce costs by reusing the same reporting channels for all services
- Reduce the duplication on IT systems
- Reduce the administrative costs of engaging with different infrastructures for the compliance with different regulatory requirements.

**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?**

The CNMV Advisory Committee supports Option 2 as a final scenario, since any of the sub-options of Option 2 aim to achieve a highly integrated reporting framework.

While it might be more complex to implement due to interdependencies between layers of requirements, obliged entities, providers and supervisors, the “report once” approach looks like a desired point of arrival when thinking in terms of a user friendly and easy to use and comply framework.

As stated in Q3, this final scenario might, as an outcome of the impact and time for implementation assessment, advice to think on Option 1a) as an intermediate Option in achieving Option 2.

The “report once” approach could allow central databases to be fed with and to store comprehensive data in a consolidated non-fragmented manner, increasing the value of the data collected, by means of minimizing inefficiencies derived from duplications and incomplete data collection.

Ideally, more ambitious Option 2b would allow for a wider integration and comprehensiveness of the new regulatory reporting framework in financial markets. This additional simplification would also imply reduction of the regulatory burden and compliance cost for obliged entities. Option 2a might deliver quicker results due to the limited scope (i.e., MiFIR, EMIR and SFTR) and could be designed as a first step towards full coverage that Option 2b provides.

Reporting infrastructures providers would need to go through changes to their services offerings and technical platforms to cope with a wider and more ambitious scope of reporting under Option 2. And they should play an essential role in ensuring an effective delivery of the desired outcomes for supervisory authorities and obliged entities under the new framework.

Therefore, "report once" option should be prioritized as it brings cost reduction while preserving the scope of data supervised under EMIR and MiFIR (and ultimately, SFTR). However, this option could be implemented in a phased in approach to further expand its benefits and simplify its implementation for firms.

**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?**

Although a phased approach might imply a lengthier process, moving from Option 1a into Option 2a first and then Option 2b under a predefined scheme of milestones might prove a softer approach.

This would involve maintaining both frameworks in parallel for a transitory period, allowing market participants to adapt gradually while preserving operational continuity.

Progressive implementation of Option 2 could allow for a continuous assessment of progress and iterative adjustments and for minimization of operational disruption for any stakeholder involved through early identification of potential issues.

A workable solution to smoothen the transition to a "report once" model, allowing flexibility to entities to adapt at their best convenience (during a transition period, or even permanently), and ensuring that data flows go through authorized entities supervised by ESMA could be the following:

- All transactions (EMIR, MiFIR and SFTR) to be reported to regulated reporting service infrastructures.
- Entities can report to the regulated reporting service infrastructures the transactions that are reportable under EMIR and MiFIR, either using the current EMIR/MiFIR templates or using the 'common template'.
- Regulated reporting service infrastructures validate data received, calculate trade states, positions, warnings, etc. Also, regulated reporting service infrastructures can reconcile EMIR, MiFIR and SFTR data subject to dual-sided reporting.
- Regulated reporting service infrastructures can also become the single point for reporting other regulations, such as REMIT. In these cases, at a first stage the

consolidation could be done only from a 'reporting channel' perspective and, in further stages, analyze the convenience of consolidating the formats.

- Regardless of the number of transactions reported by counterparties (two individual EMIR/MiFIR reports or a single report using the common template), reporting service infrastructures can consolidate this information into the common template to provide NCAs (via TRACE) the relevant information in a standardized manner.

The ultimate evolution of this framework would be establishing a single point of access for both market participants and Authorities, where market participants would report via their regulated reporting service infrastructure of choice and all authorities receive their data from the ESMA TRACE.

Any alternative option should be duly assessed considering the burden reduction and simplification focus underlined by the European Commission and on the ability to reduce cost of compliance for obliged entities.

Hence, provided the impact that such a change into the existing reporting framework might imply, exhaustive impact and cost assessments are needed to ensure the new approach to regulatory reporting requirements in the EU financial markets is useful, comprehensive, cost-efficient and future proof.

**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?**

Not necessarily. This question might be properly addressed under specific reporting framework reviewed scenarios. The CNMV Advisory Committee would favour to focus initially on the target reporting framework to be adopted by the EU with a view to ensure its competitiveness in the global financial markets context. Once the target framework is devised and agreed upon, a proper analysis on the reporting changes could be undertaken.

We would suggest not to prejudge or condition on the reshape of the reporting framework based on the reporting channels that might be most adequate in each case.

In any case, a deep impact and cost analysis would be needed to design a regulatory reporting regime that contributes to improve EU financial markets transparency, integrity and robustness through a business-friendly approach that delivers a useful, comprehensive, cost-efficient and future proof reporting framework.

**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?**

In principle and in absence of a proper impact and cost assessment, the CNMV Advisory Committee does not favour transferring the reporting obligation of on-venue transactions to trading venues.

That would represent an additional duty for trading venues non-core to their business and thus should remain voluntary. This is even more relevant considering that trading venues would not be able to provide a comprehensive view of the trading activity as a significant share of trading is OTC.

In fact, trading venues are already required to collect information from trading participants that are not directly subject to MiFIR reporting (Art. 26.5 of MiFIR), which is already a relevant compliance burden which should be simplified, requiring all participants to report their transactions.

In addition, the order book requirements for trading venues are independent and different from the transactions reporting flows under MiFIR and EMIR in terms of data content.

- The order book requirements disclose just a few orders (bid/offer prices, volume depth) and trades (ISIN, price, quantity, MIC) details, while MiFIR transaction reporting requires complete information on both sides of the transaction (e.g., Broker, customer details), which trading venues do not have and would find difficult to collect due to the sensitiveness of transferring personal information. Moreover, this would exceed their capacities and would not provide a comprehensive view of the trading activity.
- In the case of EMIR reporting, the post-trade information, such as trade allocations, give-ups, take-ups, netting, modifications, cancellations, is held by CCPs, what makes it difficult to collect and report these data by the venues.

While the intention to streamline reporting and reduce duplication is understandable, transferring the reporting of on-venue transactions under MiFIR and EMIR to trading venues might put unnecessary burden onto trading venues amongst other drawbacks that, in our view, outweigh the potential benefits:

### **1. Limited impact on overall reporting burden**

- Transferring the responsibility for on-venue transactions would only address a subset of the total of transactions to be reported.
- Off-venue transactions and post-trade lifecycle events would still need to be reported.
- Hence, the overall reporting infrastructure and processes would still need to be maintained, limiting any meaningful reduction in operational burden or cost.

### **2. Shifting the burden, instead of reducing it:**

- The transfer would shift the compliance and operational burden from firms to trading venues, while some of the latter might not currently be active players nor have the infrastructure to deal with reporting requirements at such potential scale.
- It would raise costs for trading venues, which might end up being passed back to market participants through higher fees or reduced service levels.
- It may also distort the competitive landscape, particularly disadvantaging smaller or regional venues with fewer resources.

### 3. Better alternatives

Rather than transferring obligations, we would favour an approach based on greater standardisation of reporting formats and validation rules; improved delegation frameworks, where firms can choose to delegate reporting to ARMs, TRs, or venues under clear contractual terms; and/or centralised data access models, where regulators may retrieve data from a common hub, regardless of who submitted it.

Because of these gaps, we do not support the transfer of the reporting of on-venue transactions to trading venues, as it will bring huge adaptation costs with limited benefit.

**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?**

The CNMV Advisory Committee does not favour the idea of requiring all reporting entities to report directly to ESMA. While the intention to centralise data collection is understandable, this approach would likely not result in a meaningful reduction in costs or complexity for reporting entities and could introduce new operational and supervisory challenges. Reporting directly to ESMA would entail the following implications:

#### 1. Limited cost reduction for reporting entities

Even under a direct reporting model, many entities would still require third-party services to extract data from their internal systems, normalise and validate it against regulatory schemes, ensure timely and accurate submission. These services represent a significant portion of the reporting cost, which would remain unchanged regardless of the recipient (ESMA vs. NCA/TR/ARM).

#### 2. Scalability and supervisory feasibility

There are approximately 6,000 investment firms in the EU, in addition to thousands of financial and non-financial counterparties subject to EMIR and SFTR.

Expecting ESMA to manage direct relationships with all these entities—including onboarding, support, error handling, and data quality assurance—would be operationally overwhelming and could impact supervisors' capacity to focus on their core functions. All entities involved in



the reporting process (counterparties, service providers, vendors) would need to be onboarded with ESMA.

This centralisation could lead to bottlenecks, delays, and reduced responsiveness, ultimately undermining the quality and timeliness of supervisory data.

### 3. Critical role of regulated reporting service infrastructures

- ARMs and TRs currently act as buffers between firms and regulators, providing amongst others: first-level validation and enrichment; error feedback and reconciliation support; aggregation and formatting aligned with regulatory expectations.

- ARMs and TRs have been operational for over a decade with proven operational infrastructure and have established: technical capabilities for high-volume data ingestion and validation; connectivity with thousands of market participants; processes for reconciliation, error feedback, and data enrichment. Authorised reporting service infrastructure providers contribute to data quality and supervision: ESMA has highlighted (EMIR and SFTR data quality report 2020) the progressive improvement in data quality thanks to the role of TRs. These infrastructures perform first-level validation of reports, facilitate reconciliation between counterparties and provide aggregated data to NCAs and ESMA for systemic risk monitoring. Entities would no longer have access to functionalities/services currently provided by TRs that facilitate the reporting, data access, and the resolution of reporting issues. For example, standard functionalities provided by TRs include live searches and ad-hoc reports, data quality assessments, statistical information, or bilateral support.

- The maturity of authorised reporting service infrastructure providers reduces the risk of disruption and ensures continuity in regulatory oversight. ESMA would need to replicate all processes currently implemented by TRs. For example, ESMA would need to start validating reports from counterparties, verifying permissions from third parties, calculating latest state of derivatives, reconciling internally all data, calculating outliers, aggregating data for position calculation and public data purposes, performing LEI Updates, or filtering all reports for each NCA/NCB.

Moreover, if dismantling of TRs, all data currently record-kept and stored by them (including legacy data) would need to be transferred to ESMA to ensure continuity of the reporting. For example, while ESMA receives from TRs the latest state of outstanding derivatives, only TRs currently have the latest state of non-outstanding derivatives, as well as intermediate states that are relevant for the calculation of historical updates/corrections for counterparties

- In terms of cost efficiency and market familiarity, replacing ARMs and TRs with a new centralised system would require significant investment in new infrastructure; impose transition costs on both regulators and market participants, or risk data loss or inconsistency during migration.

Retaining existing infrastructures avoids these costs while leveraging systems that market participants already understand and use. The current model, with TR/ARM as regulated reporting service infrastructures and ESMA as a supervisory authority, has been progressively refined and strengthened over the years. This maturity brings

operational stability and regulatory familiarity, which would be lost if a new data hub model were built from scratch.

In addition, leveraging existing regulated reporting service infrastructures avoids the significant costs and complexities associated with developing a new centralized data hub. Replacing regulated reporting service infrastructures with ESMA as the sole data processor could result in duplication of efforts and increased financial burden for both regulators and market participants

- In terms of regulatory oversight and accountability, ARMs and TRs are supervised entities, subject to ESMA registration and ongoing compliance obligations. This ensures accountability for data quality and operational resilience; transparency in how data is handled and shared; and alignment with evolving regulatory requirements.
- Removing regulated reporting infrastructure would place full technical and compliance burden on firms, some of which lack the internal capacity to manage this directly. In addition, removing the data quality control arrangements, validations and enrichment delivered by authorized reporting infrastructure providers might have a detrimental effect on data quality, accuracy and timeliness.

While reporting directly to ESMA would address the issue of a “single reporting channel” within the EU, it would not resolve the challenge for entities with global reporting obligations. For example, entities may still need to report derivative data to a UK TR of their choice, making the ESMA channel an additional reporting route rather than a consolidated one.

Therefore, whereas we find beneficial the consolidation of reporting channels, entities should report to regulated reporting service infrastructures (MiFIR/EMIR and SFTR) and NCAs access to this data from ESMA's TRACE hub as their single point of access.

In summary, it is worth considering whether this responsibility might be better placed outside ESMA, allowing the authority to remain focused on its core regulatory mandate. In this context, ESMA's role could be more effectively directed toward overseeing outcomes rather than managing delivery processes.

**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.)**

Centralization of reporting from a reporting channel reduction will reduce costs to the industry. However, this centralization should be understood as the possibility (not the obligation), for a given entity to report all their flows to a given regulated reporting service infrastructures. In this regard, maintaining multiple regulated reporting service infrastructures that offer the reporting of all three (EMIR, SFTR, MiFIR) reporting will give a choice to counterparties, benefit entities from a competitive advantage leading to higher quality and lower fees, without becoming vulnerable to external geopolitical pressures.

Additional challenges of centralisation entail: increased administrative complexity, higher operational costs, and the difficulty of managing a broader ecosystem with more stakeholders.

Additionally, it may slow down the implementation of changes and amplify the consequences of any technical failures.

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

The CNMV Advisory Committee does not believe that the use of technologies such as Distributed Ledger Technology (DLT) and smart contracts would significantly reduce the reporting burden or simplify the reporting process in the current regulatory context.

Most reporting obligations under MiFIR, EMIR, and SFTR are based on post-trade data extraction, transformation, and submission, which are not inherently simplified using DLT or smart contracts as these technologies do not eliminate the need for data standardisation and validation, reconciliation across systems or regulatory interpretation and compliance logic.

Promoting the use of DLT could introduce further complexity and technological fragmentation, as different market participants may adopt incompatible platforms or standards. Such development could increase the burden on firms needing to interface with multiple systems, rather than reduce it. Also, forcing their use in regulatory reporting could divert resources from more impactful improvements.

Therefore, while these technologies may offer business value in specific contexts, we believe that their adoption should remain voluntary, driven by market incentives and operational needs, not regulation, which should be IT agnostic.

**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?**

The cost of single/dual reporting can be segregated in:

1. The cost derived from reporting both sides of the trade
2. The cost derived from timely transmitting specific counterparty information to the entity responsible for reporting (in case of single-sided reporting)
3. The cost of the reconciliation process

4. The cost / effectiveness of implementing alternative controls (by counterparties, TRs and NCAs) different from those arisen from the reconciliation. This should also consider the cost of data remediation if detection of issues is delayed, given that at the time being one of the main sources of identification of issues is the outcome of the pairing and matching processes.

Even though dual-sided reporting increase the volume of reported trades and associated costs, the cost-benefit analysis should be performed from a holistic perspective and also exploring the costs of implementing less efficient or less exhaustive measures that will reduce the operational costs at first, but can then be translated into a reduction of data quality and/or additional costs associated to the implementation of additional controls and the remediation of long-standing (unidentified/unaddressed) issues.

The CNMV Advisory Committee supports the elimination of dual-sided reporting under both EMIR and SFTR, grounded in the share objective of simplifying the reporting frameworks and addressing the operational and data quality challenges associated with dual-sided reporting.

Should a shift towards a single-sided reporting model take place, it could align with what we consider to be industry best practices and foster cost-effective compliance environment, enhancing data quality, reducing operational burdens, and improving overall regulatory efficiency. We believe that there are viable alternatives to dual-sided reporting and reconciliation that could lead to meaningful improvements in reporting quality and regulatory efficiency.

Approaches such as targeted audits, as highlighted by ESMA in this call for evidence and already implemented in jurisdictions like the US, along with clearer data definitions and improved guidance, offer a more effective and pragmatic path to compliance.

The ongoing shift in trading volumes from the EU to the US observed in recent years is driven by multiple factors, one of the most significant being the heavy regulatory burden in the EU. A partial reduction of this burden could potentially serve as a catalyst to reverse this trend.

**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?**

The CNMV Advisory Committee does not have a strong position on the modification of reporting frequency. However, we do believe that any such decision should be preceded by a thorough impact assessment and guided by the principle of proportionality, without introducing unnecessary complexity into the reporting framework derived from building a regime upon a set of cumulative exceptions.

While exemptions may appear to reduce burden, they often introduce new layers of complexity (e.g., implementing exception-handling logic in reporting systems). This can lead to increased compliance risk, especially for firms operating across multiple jurisdictions or reporting regimes.

**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?**

While burden reduction and compliance cost should guide EU regulatory action, we believe that comprehensive and consistent data collection cannot be achieved through a fragmented approach as it would lead to differentiated reporting requirements across entities.

Given that regulatory reporting serves as the basis for market surveillance and risk monitoring, the introduction of proportionality measures (e.g., through exemptions) might lead to gaps in data coverage and thus hinder the supervisor ability to deliver on their tasks.

Differentiated requirements also introduce interpretative challenges and operational complexity which does not contribute to burden reduction and simplification.

Hence, while proportionality is a valid principle in many regulatory contexts, it is not well-suited to transaction reporting, where consistency and completeness are paramount.

As previously pointed out, a in depth assessment might be needed to evaluate the need for currently required fields and pieces of data for supervisors. Where data is considered as necessary for effective supervisory purposes, not collecting that data because of proportionality might hinder supervisors' ability to perform its duties in an effective manner. Should some data not be needed, a bold decision to stop collecting them should be promoted.

In this regard, it is important to ensure that the scope and intensity of reporting obligations are aligned with the actual level of systemic risk being monitored, the operational burden placed on reporting entities, and the extent to which the data is actively used by supervisory authorities.

As examples, the current level of granularity required under EMIR or SFTR does not appear to be proportionate to the systemic risk posed by ETDs centrally cleared or repo markets, which is more closely linked to transaction volumes than to their structural details, particularly when some of this information can be inferred from other reported data or obtained from official sources.

**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?**

N/A

**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?**

N/A

**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?**

N/A

**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?**

N/A

**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?**

N/A

**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?**

N/A