

EU Regulatory Reform

EMIR: Trade Reporting Data Provided by 360T

This document has been prepared due to requests from 360T clients for information about trade reporting in accordance with the provisions of the European Market Infrastructure Directive (EMIR).

Regulatory Summary

EMIR entered into force on 16 August 2012. It fulfils several of the European Union's (EU) G20 commitments to reform the Over the Counter (OTC) derivatives markets: to improve the transparency of the derivatives markets, protect against market abuse and to provide for systemic risk mitigation.

As mandatory reporting of OTC derivatives under EMIR begins to take effect across the European Economic Area (EEA) – now forecast to commence for all asset classes from 1 January 2014 – all counterparties to OTC derivatives contracts must ensure that they have made appropriate arrangements to report to an appropriately registered Trade Repository (TR). These TR's will include the likes of REGIS-TR and the DTCC.

Although EMIR had made provision for reporting to be handled by one counterparty, or for reporting to be outsourced to a third party, it appears that whilst European Securities Markets Authority (ESMA) may have been hoping for this outcome, in practice – at least to begin with – many counterparties will have to report directly. This outcome is perhaps attributable to the amount of data fields to be reported, to the disparate sources from where that data may be obtained and because irrespective of who does the reporting, each individual party to the trade will be held responsible for the ultimate accuracy of the data to be reported. Failing to report accurately could expose a counterparty to significant sanctions including both corporate and personal fines, prosecution, reputational damage and ultimately a denial to operate.

How it Impacts You

The details of any derivative contract concluded, modified or terminated must be reported to a TR, and, **no later than the working day following the event in question**. This includes all derivatives transactions, including inter-group transactions and those transactions entered into solely for hedging purposes.

Exactly what you have to report will depend on the type of counterparty you are, i.e. a Financial Counterparty or Non-Financial Counterparty, the type of transactions you have entered into and, at a later date, whether that transaction will be subject to clearing. It is also important to bear in mind that when reporting starts, you will need to upload all those transactions that have been entered into on or after the 16 August 2012.

Reporting to the Trade Repository

In order to report to a TR all EU counterparties (and certain non EU counterparties) entering into derivative trades will ideally have a Legal Entity Identifier (pre-LEI) in order to meet the EMIR reporting obligations. The issuance of pre-LEIs in line with the agreed principles for pre-Local Operating Unit solutions (LOUs) is currently underway. The announcement of those entities which have been allocated a pre-LOU Prefix for pre-LEI Issuance is posted on the LEI Regulatory Oversight Committee (ROC) website. Please see the LEI ROC website for more information: <http://www.leiroc.org/index.htm>

The data required to be reported under EMIR has been set out in 85 Fields and has been segregated into two categories, (i) the **'Counterparty Data'** which tends to be more confidential in nature as it will relate to beneficial owner, collateral etc., and (ii) the **'Common Data'**, which is essentially the agreed trade and lifecycle data.

When the counterparties report a trade they will do so referencing a the Unique Trade Identifier (UTI) which has been recognised and adopted as the universal prerequisite for effective trade reporting and aggregation. The trade repository[s] will then reconcile the reports and notify counterparties of any discrepancies. The UTI will follow the life cycle of the trade.

Counterparty Data Reporting Fields

To help our clients understand what data fields can be filled from 360T we have provided a colour coded analysis of the 85 fields. In addition to confirming the data available from 360T, this analysis also suggests which fields may be fillable from the Confirmation provider and the fields to be filled by the client.

COUNTERPARTY DATA			
	Field	Details to be Reported	Data from
Section 1: Parties to the Contract			
1	Reporting timestamp	Date and time of reporting to the trade repository.	360T
2	Counterparty ID	Unique code identifying the reporting counterparty.	
3	ID of the other counterparty	Unique code identifying the other counterparty of the contract. This field shall be filled from the perspective of the reporting counterparty.	
4	Name of the counterparty	Corporate name of the reporting counterparty.	
5	Domicile of the counterparty	Information on the registered office, consisting of full address, city and country of the reporting counterparty.	Client
6	Corporate sector of the counterparty	Nature of the reporting counterparty's company activities (bank, insurance company, etc.).	Client
7	Financial or non-financial nature of the counterparty	Indicate if the reporting counterparty is a financial or non-financial counterparty in accordance with Article 2(8,9) of Regulation (EU) No 648/2012.	Client
8	Broker ID	In case a broker acts as intermediary for the reporting counterparty without becoming a counterparty, the reporting counterparty shall identify this broker by a unique code.	Client
9	Reporting entity ID	In case the reporting counterparty has delegated the submission of the report to a third party or to the other counterparty, this entity has to be identified in this field by a unique code. Otherwise this field shall be left blank.	Client
10	Clearing member ID	In case the reporting counterparty is not a clearing member, its clearing member shall be identified in this field by a unique code.	360T
11	Beneficiary ID	The party subject to the rights and obligations arising from the contract.	Client
12	Trading capacity	Identifies whether the reporting counterparty has concluded the contract as principal on own account (on own behalf or behalf of a client) or as agent for the account of and on behalf of a client.	360T
13	Counterparty side	Identifies whether the contract was a buy or a sell. In the case of an interest rate derivative contract, the buy side will represent the payer of leg 1 and the sell side will be the payer of leg 2.	360T
14	Contract with non-EEA counterparty	Indicates whether the other counterparty is domiciled outside the EEA.	Client
15	Directly linked to commercial activity or treasury financing	Information on whether the contract is objectively measurable as directly linked to the reporting counterparty's commercial or treasury financing activity, as referred to in Art. 10(3) of Regulation (EU) No 648/2012.	Client
16	Clearing threshold	Information on whether the reporting counterparty is above the clearing threshold as referred to in Art. 10(2) of Regulation (EU) No 648/2012.	Client
17	Mark to market value of contract	Mark to market valuation of the contract, or mark to model valuation where applicable under Article 11(2) of Regulation (EU) No 648/2012.	Client
18	Currency of mark to market value of the contract	The currency used for the mark to market valuation of the contract, or mark to model valuation where applicable under Article 11(2) of Regulation (EU) No 648/2012.	Client
19	Valuation date	Date of the last mark to market or mark to model valuation.	Client
20	Valuation time	Time of the last mark to market or mark to model valuation.	Client
21	Valuation type	Indicate whether valuation was performed mark to market or mark to model.	Client
22	Collateralisation	Whether collateralisation was performed.	Client
23	Collateral portfolio	Whether the collateralisation was performed on a portfolio basis. Portfolio means the collateral calculated on the basis of net positions resulting from a set of contracts, rather than per trade.	Client
24	Collateral portfolio code	If collateral is reported on a portfolio basis, the portfolio should be identified by a unique code determined by the reporting counterparty.	Client
25	Value of the collateral	Value of the collateral posted by the reporting counterparty to the other counterparty. Where collateral is posted on a portfolio basis, this field should include the value of all collateral posted for the portfolio.	Client

26	Currency of the collateral value	Specify the value of the collateral for field 25.	Client
COMMON DATA			
	Field	Details to be Reported	
Section 2a - Contract type (applicable to all contracts)			
1	Taxonomy used	The contract shall be identified by using a product identifier.	360T
2	Product ID 1	The contract shall be identified by using a product identifier.	360T
3	Product ID 2	The contract shall be identified by using a product identifier.	360T
4	Underlying	The underlying shall be identified by using a unique identifier for this underlying. In case of baskets or indices, an indication for this basket or index shall be used where a unique identifier does not exist.	360T
5	Notional currency 1	The currency of the notional amount. In the case of an interest rate derivative contract, this will be the notional currency of leg 1.	360T
6	Notional currency 2	The currency of the notional amount. In the case of an interest rate derivative contract, this will be the notional currency of leg 2.	360T
7	Deliverable currency	The currency to be delivered.	360T
Section 2b - Details on the transaction (applicable to all contracts)			
8	Trade ID	A Unique Trade ID agreed at the European level, which is provided by the reporting counterparty. If there is no unique trade ID in place, a unique code should be generated and agreed with the other counterparty.	360T
9	Transaction reference number	A unique identification number for the transaction provided by the reporting entity or a third party reporting on its behalf.	360T
10	Venue of execution	The venue of execution shall be identified by a unique code for this venue. In case of a contract concluded OTC, it has to be identified whether the respective instrument is admitted to trading but traded OTC or not admitted to trading and traded OTC.	360T
11	Compression	Identify whether the contract results from a compression exercise.	Client
12	Price / rate	The price per derivative excluding, where applicable, commission and accrued interest.	360T
13	Price notation	The manner in which the price is expressed.	360T
14	Notional amount	Original value of the contract.	360T
15	Price multiplier	The number of units of the financial instrument which are contained in a trading lot; for example, the number of derivatives represented by one contract.	Client
16	Quantity	Number of contracts included in the report, where more than one derivative contract is reported.	Client
17	Up-front payment	Amount of any up-front payment the reporting counterparty made or received.	Client
18	Delivery type	Indicates whether the contract is settled physically or in cash.	Client
19	Execution timestamp	As defined in Article 1 (2).	360T
20	Effective date	Date when obligations under the contract come into effect.	360T
21	Maturity date	Original date of expiry of the reported contract. An early termination shall not be reported in this field.	360T
22	Termination date	Termination date of the reported contract. If not different from maturity date, this field shall be left blank.	360T
23	Date of Settlement	Date of settlement of the underlying. If more than one, further fields may be used (e.g. 23A, 23B, 23C...).	360T
24	Master Agreement type	Reference to the name of the relevant master agreement, if used for the reported contract (e.g. ISDA Master Agreement; Master Power Purchase and Sale Agreement; International ForEx Master Agreement; European Master Agreement or any local Master Agreements).	Client
25	Master Agreement version	Reference to the year of the master agreement version used for the reported trade, if applicable (e.g. 1992, 2002.).	Client
Section 2c - Risk mitigation / reporting (applicable to all contracts)			
26	Confirmation timestamp	Date and time of the confirmation, as defined under Regulation (EC) the xx/2012 [Commission delegated regulation endorsing draft regulatory technical standards on OTC Derivatives] indicating time zone in which the confirmation has taken place.	Confirmation Provider (e.g. Misys)
27	Confirmation means	Whether the contract was electronically confirmed, non-electronically confirmed or remains unconfirmed.	
Section 2d - Clearing (applicable to all contracts)			
28	Clearing obligation	Indicates, whether the reported contract is subject to the clearing obligation under Regulation (EU) No 648/2012.	Client
29	Cleared	Indicates, whether clearing has taken place.	Client
30	Clearing timestamp	Time and date when clearing took place.	Client

31	CCP	In case of a contract that has been cleared, the unique code for the CCP that has cleared the contract.	360T
32	Intragroup	Indicates whether the contract was entered into as an intra-group transaction, defined in Article 3 of Regulation (EU) No 648/2012.	Client Client
Section 2e – Interest Rates (applicable to interest rate derivatives)			
33	Fixed rate of leg 1	An indication of the fixed rate leg 1 used, if applicable.	360T
34	Fixed rate of leg 2	An indication of the fixed rate leg 2 used, if applicable.	360T
35	Fixed rate day count	The actual number of days in the relevant fixed rate payer calculation period, if applicable.	360T
36	Fixed leg payment frequency	Frequency of payments for the fixed rate leg, if applicable.	360T
37	Floating rate payment frequency	Frequency of payments for the floating rate leg, if applicable.	360T
38	Floating rate reset frequency	Frequency of floating rate leg resets, if applicable.	360T
39	Floating rate of leg 1	An indication of the interest rates used which are reset at predetermined intervals by reference to a market reference rate, if applicable.	360T
40	Floating rate of leg 2	An indication of the interest rates used which are reset at predetermined intervals by reference to a market reference rate, if applicable.	360T
Section 2f – Foreign Exchange (applicable to currency derivatives)			
41	Currency 2	The cross currency, if different from the currency of delivery.	360T
42	Exchange rate 1	The contractual rate of exchange of the currencies.	360T
43	Forward exchange rate	Forward exchange rate on value date.	360T
44	Exchange rate basis	Quote base for exchange rate.	360T
Section 2g – Commodities (applicable to commodity derivatives)			
45	Commodity base	Indicates the type of commodity underlying the contract.	360T
46	Commodity details	Details of the particular commodity beyond field 45.	360T
47	Delivery point or zone	Delivery point(s) of market area(s).	Client
48	Interconnection Point	Identification of the border(s) or border point(s) of a transportation contract.	Client
49	Load type	Repeatable section of fields 50-54 to identify the product delivery profile which correspond to the delivery periods of a day.	Client
50	Delivery start date and time	Start date and time of delivery.	Client
51	Delivery end date and time	End date and time of delivery.	Client
52	Contract capacity	Quantity per delivery time interval.	Client
53	Quantity Unit	Daily or hourly quantity in MWh or kWh/d which corresponds to the underlying commodity.	360T
54	Price/time interval quantities	If applicable, price per time interval quantities.	Client
Section 2h – Options (applies to contracts that contain an option)			
55	Option type	Indicates whether the contract is a call or a put.	360T
56	Option style (exercise)	Indicates whether the option may be exercised only at a fixed date (European, and Asian style), a series of pre-specified dates (Bermudan) or at any time during the life of the contract (American style).	360T
57	Strike price (cap/floor rate)	The strike price of the option.	360T
Section 2i – Modifications to the Contract (applicable to all contracts)			
58	Action type	Whether the report contains: a derivative contract or post-trade event for the first time, in which case it will be identified as 'new'; a modification of details of a previously reported derivative contract, in which case it will be identified as 'modify'; a cancellation of a wrongly submitted report, in which case, it will be identified as 'error'; a termination of an existing contract, in which case it will be identified as 'cancel'; a compression of the reported contract, in which case it will be identified as 'compression'; an update of a contract valuation, in which case it will be identified as 'valuation update'; any other amendment to the report, in which case it will be identified as 'other'.	360T
59	Details of action type	Where field 58 is reported as 'other' the details of such amendment should be specified here.	Client

As there remains uncertainty around the interpretation of some basic concepts with reporting, ESMA intends to issue Q&As on a periodic basis. We therefore advise clients who are potentially impacted by EMIR to monitor developments on an on-going basis by checking for updates on the ESMA website: <http://www.esma.europa.eu/> Clients are also welcome to contact 360T Regulatory at regulation@360t.com