

Energy Traders Europe's response to the ESMA Call for Evidence on a Comprehensive Approach for the Simplification of Financial Transaction Reporting

Questions

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?

As a general remark, we thank ESMA for launching this Call for Evidence and for the opportunity to contribute. We very much welcome that ESMA is exploring how financial transaction reporting can be simplified and made more effective. This work is timely and valuable: it directly supports the EU's wider simplification and competitiveness agenda, while also addressing long-standing concerns about overlapping reporting regimes. We also appreciate ESMA making the connection to the recent commodity derivatives consultation (April 2025) which considers different options for enhancing the regulatory framework for commodity derivatives markets. In response to this consultation, Energy Traders Europe called for a **comprehensive, cross-regulatory data strategy**, with clear milestones:

- Pause major changes to existing reporting requirements until the data landscape is properly assessed;
- Evaluate what is already reported, what regulators need, and what is missing or redundant;
- Develop a central data collection mechanism or interoperable framework for secure sharing of existing datasets;
- Enable cross-access (e.g. ACER to EMIR data, ESMA to REMIT data, including OTC energy trades);
- Leverage existing technical solutions already used by market participants;

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We believe that the exercise ESMA is currently undertaking is a crucial step forward, that ideally feeds into this consolidated supervisory data strategy, by identifying overlaps, redundancies, and opportunities for streamlining.

Specific comments: In terms of prioritisation, noting that a “top 3” approach is reductive due to the interplay of several of these issues, we believe that among the 9 key challenges outlined by ESMA in its consultative paper, the following are the main cost drivers:

- Frequent regulatory changes and lack of flexibility to enable a phased implementation, synchronisation and coordination of the changes in the different reporting regimes. This issue can also be seen as the root cause for many of the existing challenges, such as the duplicative reporting of the same transaction or same data. Key cost-driven concerns include:
 - **High implementation and upgrade costs:** In our view, the main burden for market participants is the need of constantly adapting their IT systems and compliance processes to meet the detailed and evolving requirements of reporting frameworks. Each regulatory update requires extensive changes to IT systems, reporting frameworks, and internal controls. Without flexibility or phased rollouts, firms must frequently execute large-scale system upgrades within tight timelines.
 - **Resource-intensive change management:** Frequent changes to reporting systems force continuous deployment of compliance, legal, and IT personnel resources that otherwise could be allocated to other strategic and critical projects.
 - **Increased risk of non-compliance and penalties:** Rapid and poorly coordinated changes raise the risk of reporting errors or delays, leading to costly fines and remediation efforts.
 - **Backloading burden:** Backloading under EMIR exposed significant challenges due to limited data availability, legacy system constraints, heavy manual reconstruction efforts, and complex reconciliation processes that led to errors and remediation burdens. Similar issues are likely to re-emerge if further regulatory changes require the re-reporting or reformatting of historical data, particularly if implementation timelines are tight and system flexibility remains limited.
- Dual-sided reporting obligation under EMIR (and other European reporting regimes). Key cost-driven concerns include:

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- **Increased operational workload:** Each firm must allocate significant resources to monitor, reconcile, and resolve mismatches with counterparties. This is particularly true for non-standard commodity derivative transactions (such as financially settled PPAs) and requires dedicated teams, extended back-office support, and possible costly manual intervention.
- **IT system complexity and maintenance:** Dual-sided reporting necessitates building and maintaining robust data matching and validation tools as well as interfaces that allow coordination between counterparties. All of this comes with initial set up investment and continuous support and upgrade costs.
- **High cost of non-compliance:** Mismatches or late reports due to dual-sided complexity can result in regulatory penalties, reputational risk, and internal audit remediation costs.

Overall, we believe that, despite and on top of these costs, the regulatory value-added is limited. While reconciliation already occurs through simple back-office confirmation processes, cross-validation of both sides of the trade rarely results in improved market oversight. Additionally, this practice is in contrast with other jurisdictions like the U.S. (CFTC) or Singapore which have already moved to single-sided or delegated reporting, allowing firms to streamline processes and reduce cost. The EU's insistence on dual-sided reporting or remaining responsibilities for non-reporting counterparties for reporting quality standards puts firms at a competitive disadvantage, especially in a moment where competitiveness ranks high in the EU agenda.

The removal of dual-sided reporting under EMIR/MiFIR necessitates close coordination with ACER to ensure it does not inadvertently result in double reporting of financial data. This is particularly important for contracts that are reportable under financial regulation and simultaneously fall within the definition of wholesale energy products under REMIT. Many energy derivatives are subject to both EMIR/MiFIR and REMIT, and the current REMIT reporting framework relies on EMIR data accessed by ACER via trade repositories or financial regulators. A shift to single-sided reporting under EMIR could risk disrupting this mechanism, potentially reinstating overlapping reporting obligations for market participants.

To address this, it should be clarified that the existing MoU between ACER and ESMA, together with enhanced cooperation between authorities and the – below mentioned - *central data collection mechanism*, should cover the continued exchange of relevant data even under a single-sided EMIR regime. By doing so, regulatory authorities can maintain oversight efficiency while respecting market participants' investment efforts and safeguarding data confidentiality and integrity.

- **Different terminology and definitions within different reporting regimes:** the lack of harmonised data terminology and reference codes across different regulatory regimes is another very burdensome and persistent challenge for market participants and regulatory authorities. Regulations often define master data differently or not at all, forcing firms to map their internal data to multiple inconsistent standards. This leads MPs to maintain mapping tables between different reporting templates. For example, company identification codes could be streamlined for definition of commodity price references and/or index names could be standardized to one single format. Eliminating such discrepancies would mean that systems could automatically reuse data across different reporting regimes. If regulators consistently adopted common standards, firms could automate larger portions of reporting fields, cutting costs and reducing errors

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

We generally support the four key outlined principles as a reasonable basis for a simplification of regulatory reporting. Of these, ***balancing cost and benefit*** is, in our view, the most critical. Effectively addressing the cost drivers identified in our Q1 response perfectly supports this principle. Achieving this in practice will require a more coordinated and forward-looking approach – one that emphasises enhanced inter-agency collaboration, improved data sharing, and a phased implementation strategy.

We suggest amending the key principles to acknowledge that there should not be an assumption that the scope of information reported should be preserved in all cases. Any review should consider how useful the current scope is in practice and whether it is in line with the regulatory framework it is designed to address. Opportunities for burden reduction and simplification, which may include the reduction of information scope, should be actively considered where information currently reported does not meet this standard.

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In our recent response to the EC commodity derivatives review to the questions regarding integrated reporting between EMIR/MiFIR and REMIT, we estimate that transitioning to a single, consolidated reporting framework could require investments ranging *from €30 billion to €150 billion*, a substantial cost that may be unnecessary at a stage where regulatory data requirements remain unclear. This number seems in line with the indicated number of EUR 1 to 4 billion per year estimated industry cost for EMIR, MiFIR and SFTR reporting. Here, the additional costs for physical transactions reporting (REMIT) are not included and any significant change of reporting formats likely cause 10 to 30 times the effort required for keeping implemented reporting systems in place, leading to such substantial additional costs for European based companies above the 100 billion Euros range. Premature investment without clear and stable regulatory parameters risks inefficiencies and wasted resources. The same applies to regulators. The introduction of additional reporting changes, even for reasons of simplification, might create a cliff edge effect, if not well considered, planned and timed. This could force firms to reallocate significant resources before the benefits of previous investments can be fully realised and place considerable strain on both operational and financial capacities.

With the implementation of REMIT still ongoing and the EMIR framework having just been revised, supervisory authorities themselves are in the process of adapting to new data flows. Time is needed to assess how the newly collected data can be used effectively for monitoring, analysis, and enforcement. Rushing into additional changes may hinder this assessment process and compromise the intended supervisory benefits.

From our perspective a fifth guiding principle could be introduced: preserving proportionality of reporting and ensuring data accuracy. Only data that is truly needed for effective oversight should be collected via standard data reporting. Regulatory focus should be placed on areas where there is evidence of elevated risk of potential market abuses. While additional data can and should be requested as part of targeted investigations and not be included into standard data reporting. Excessive data requirements create noise, deter market participation, increase costs, and risk leading to inconsistent interpretations ultimately undermining the effectiveness of reporting regimes.

We, therefore, stress the need for a thorough cost-benefit assessment and a coordinated data strategy, reflecting both the recent investment efforts by market participants and the capacity of authorities to process and use the incoming data effectively. This requires:

- a pause on changes to existing regime requirements, including REMIT. As regards proportionality and the aims of simplification and burden reduction, we note that the current consultation on the REMIT Implementing Act covering amendments to the

transaction reporting regime includes proposals which, if taken forward, would significantly increase the complexity and administrative burden on REMIT market participants, especially as regards exposure reporting (where we believe the proposals go far beyond the Level 1 text). The proposals in this consultation are not in accordance with the simplification and burden reduction agenda and contradict the key principles outlined by ESMA in this Call for Evidence.

- a thorough evaluation of existing reporting obligations under European reporting regimes;
- a systematic review to identify where regulatory authorities lack access to specific datasets and whether this hinders effective market oversight (any proposed increase to data fields in the future should be subject to a specific justification required and cost-benefit exercise – with the intention of discouraging unnecessary scope-creep);
- the development of a central data collection mechanism (or interoperable data-sharing framework) allowing authorities to access and exchange relevant information in a secure manner.

This approach could enhance coordination across different regulators and jurisdictions while maintaining data confidentiality and integrity. For example, the Memorandum of Understanding (MoU) between ACER and ESMA sets a precedent for enhanced cooperation and data sharing between energy and financial market regulators.

These steps are essential to achieve ESMA's objective of streamlining and simplifying reporting. Looking forward, it would be wise to strive to avoid inconsistencies in definitions, terminology, and requirements upfront when designing or updating regulatory frameworks, rather than trying to resolve these issues once frameworks are already in place. This proactive approach would help prevent duplicated efforts and reduce the operational burden on all stakeholders, ultimately balancing costs and benefits.

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

Option 1a may appear to be a practical and proportionate proposal to eliminate reporting overlap under EMIR and MiFIR for parties subject to both regimes. It seems feasible and potentially beneficial, if carefully implemented, aligns with existing systems and has limited impact on reporting formats and reporting channels. We would consider the removal of ETD (Transactions) from EMIR as a benefit to reduce double reporting obligations currently in place. It is key, however, that non-financial counterparties currently not within scope of the MiFIR reporting requirement (as Article 26

only applies to financial counterparties) remain outside its scope. Extending the MiFIR scope to non-financial counterparties would be a fundamental change in scope, making such an extension extremely problematic and significantly increasing the burden on those companies.

We therefore see the following theoretical key advantages of option 1a:

- It would avoid substantial changes to existing EMIR or MiFIR reporting formats. As such, reporting parties would not be required to overhaul their reporting systems or retrain staff, which could help minimise transition costs and avoid operational disruption. Additionally, preserving current infrastructures may help avoid short-term reporting errors commonly associated with large-scale system changes.
- It could resolve the challenges stemming from the dual-sided reporting. As specified in other replies, the single-source approach improves data quality and removes the need for UTI alignment between counterparties. However, as better explained in our response to Q22, we caution against the introduction of mandatory external audits as additional supervisory measure for dual-sided reporting. They would shift rather than, reduce compliance burden, add complexity and impose additional costs on smaller market participants. Many firms already include audits voluntarily under national frameworks and robust internal processes serve the interests of market participants themselves, with compliance and internal audit functions helping to monitor and improve reporting where needed.
- It could foster greater data standardisation and interoperability across reporting regimes by including a shared data dictionary to align definitions and terminology between EMIR and MiFIR.

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?

While Option 1a may appear as a proportionate and pragmatic proposal, it nevertheless presents some limitations and risks, if not well-implemented. Generally, energy firms are not subject to MiFIR reporting obligations, so the benefits of Option 1a for these entities appear limited.

First, the proposed adaptation of the EMIR template to incorporate additional data points aimed at market abuse surveillance, risks undermining the fundamental objective of reducing the reporting burden. Any shift to include market abuse monitoring in EMIR reporting would fundamentally change

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the nature of this reporting from being a post-trade requirement and would require a change to the data points and lifecycle events that it would capture. This would be a significant change and could be difficult and resource-intensive to implement in terms of process and technology. Additionally, introducing further EMIR reporting requirements – such as new data fields - would only increase the burden on non-financial counterparties, making this option less attractive. Any new requirements would necessitate system upgrades and increased resource allocation from market participants. This is particularly concerning given that EMIR was only recently subject to a substantial review and revision, which required significant investments from market participants to implement. Revisiting and modifying the template so soon risks regulatory fatigue and unnecessary rework, potentially leading to lower data quality, increased reporting errors, and heightened compliance costs. This could counteract the very goal of streamlining and simplifying regulatory reporting. A focus on core, essential information, rather than expanding scope and complexity, would better support simplification.

Second, as above 99% of all trading activity in commodity derivatives takes place on regulated market, not on OTF (Organized Trading Facilities) or MTFs (Multi-Trading Facilities), we suggest a more proportionate solution that would allow regulators to request market abuse-related data on an ad hoc basis, only when there is a specific need or reasonable doubt¹. This approach would avoid overburdening market participants with reporting requirements that fall outside the core objectives of EMIR and stay in line with the objective of ensuring effective and prompt market abuse detection as authorities can access necessary information for investigations when justified. Crucially, any such changes or transitional arrangements must be implemented with a well-planned phase-out approach to allow market participants sufficient time to adapt without disruption. It is also worth noting that, in the context of energy market (at least for power and gas) the STOR obligations under MAR (and now also under REMIT II) already provide a framework for the self-declaration of market abuse to the relevant authorities. This mechanism should be sufficient for NRAs and NCAs to enforce the prohibition of market abuse.

Third, Option 1a may affect REMIT, even only indirectly, through the existing double-reporting prohibition with EMIR and MiFIR, ensuring that transactions already reported under EMIR are not reported again under REMIT. We believe REMIT should remain out of scope of the Option 1a delineation principle, given its different terminology, reporting rules, and regulatory objectives.

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Q5 What components are missing or not adequately addressed in option 1a? Why are these elements important, and how might their inclusion change the evaluation or implementation of option 1a?

As stated above in our response to Q 3 and 4, Option 1a may appear a pragmatic and proportionate approach to delineating reporting obligations between MiFIR and EMIR, based on instruments (ETD and OTC transactions), for reporting parties that have reporting obligations currently under both regimes.

From our perspective, extending the MiFIR reporting scope to non-financial counterparties would constitute a significant barrier to simplification. These entities are currently not subject to any MiFIR reporting obligations and, as a result, lack the necessary infrastructure to support such reporting. Before any final decision is made, we believe it is essential to carefully assess the potential implications for non-financial counterparties currently outside the MiFIR reporting framework, including:

- Confirmation the reporting scope for non-financial counterparties would not be extended to MiFIR reporting.
- Clarification is needed on the delineation and determination of reporting scope – particularly for non-financial counterparties trading on third-country venues and involving third-country CCPs or direct clearing members. It should be confirmed that this does not alter the existing responsibility for reporting, nor result in different technical standards for non-financial entities under Option 1a.
- Confirmation that Option 1a does not lead to change of the recipient of the reported data, in particular data submission to trade repositories for non-financial counterparties would remain in place.
- Treatment of market abuse surveillance data: As already mentioned, expanding EMIR's reporting template to include these fields could increase complexity and burdens on market participants, undermining the goal of reducing reporting costs and expanding the scope of EMIR itself. A missing element is a proportionate mechanism for regulatory access to market abuse data, such as allowing ad hoc requests when justified, rather than embedding these requirements into existing EMIR reporting.
- Transition and phase-out mechanisms: Option 1a does not explicitly outline a phased implementation path, which is critical given the recent revisions to EMIR and the complexity

of changing reporting structures. Without well-defined transition periods, market participants may face regulatory fatigue, costly system changes, and operational risks. Defining phase-out and adaptation timelines would help minimize disruption and ensure smoother compliance.

- Clarification on dual-sided reporting and audit requirements: While Option 1a proposes removing dual-sided reporting, it also mentions the possible mandatory external audit. We do not support such proposal since it would limit the benefit of the Option itself and add unnecessary costs and complexity. For energy trading firms it is essential to ensure that, when reporting details of OTC derivative contracts concluded with a non-financial counterparty below the clearing threshold (NFC-), the obligation for single-sided reporting by financial counterparties is maintained.

Additionally, we remain doubtful about how this delineation would affect reporting to non-EU regulated markets, particularly to ICE Futures and other major exchanges like LME, which are unlikely to qualify as Regulated Markets under EU law. In our opinion this point requires clarification regarding data sourcing from non-EU CCPs. ESMA should clarify how post-trade data will be sourced when ETDs are cleared through non-EU CCPs, particularly those not recognised under EMIR. As ESMA has no direct supervisory power over third-country CCPs, it is uncertain whether and how such data could be reliably accessed. Without clear guidance on how post-trade data will be accessed from non-EU CCPs, there is a risk of data blind spots. Clarifying the data source, fallback mechanisms, and scope of application in more detail is essential to properly assess and prepare for the impact of Option 1a.

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

<ESMA_QUESTION_CASR_6>

While we acknowledge that Option 1b aims to reduce overlapping reporting obligations by assigning transaction reporting to MiFIR and post-trade events to EMIR, the impact on non-financial market participants is questionable as we are not certain how bilateral derivative transactions concluded between non-financial counterparties would be treated.

Non-Financial Counterparties below the clearing threshold pose limited financial risk. It remains unclear whether Option 1b takes this into account, specifically, whether only entities in scope of MiFIR transaction reporting would be subject to standard regulatory reporting, or if bilateral transactions between non-financial entities would still fall under EMIR reporting requirements.

Extending the MiFIR reporting scope to NFCs could completely undermine and outweigh all simplification results reachable under Option 1 b, as these entities currently have no MiFIR reporting obligations and lack the necessary infrastructure to support such reporting. While we acknowledge the intention to reduce duplication, the expected benefits for NFCs are very limited, especially compared to other alternatives such as Option 1a.

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

A key limitation of Option 1b is the potential shift to MiFIR-style reporting formats for bilateral transactions between non-financial counterparties, which are currently reported solely under EMIR and in the EMIR format. This would pose a significant operational challenge, as many non-financial entities are not familiar with MiFIR's more granular, transaction-level reporting requirements.

From our perspective, extending the MiFIR reporting scope and format to non-financial counterparties would present a significant barrier to simplification. These entities are currently not subject to MiFIR reporting obligations and therefore lack the infrastructure to support such requirements.

Before any final decision is taken, we believe it is essential to carefully assess the implications for non-financial counterparties currently outside the MiFIR framework. In particular, we seek:

- Confirmation that the reporting scope for non-financial counterparties will not be extended to include MiFIR reporting.
- Clarification on how the reporting scope is determined and delineated, with assurance that this does not alter existing reporting responsibilities or introduce separate technical standards for non-financial entities under Option 1b.
- Assurance that Option 1b does not change the recipient of reported data for non-financial counterparties, specifically, that data submission to trade repositories will remain the established channel.

Under EMIR, reporting obligations for NFCs are minimized in line with their lower risk profile. Only bilateral financial swaps between NFCs remain reportable under normal terms, while all other transactions are reported by FCs. Under Option 1b, non-financial market participants face the risk of new reporting formats, rules, and channels, while also creating potential inconsistencies in determining the party responsible for reporting.

<ESMA_QUESTION_CASR_7>

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?

We believe Option 1b does not sufficiently take into account the significant investments and recent system updates that market participants have made to comply with the EMIR reporting framework. We are particularly concerned that the proposal could result in a shift toward MiFIR-like reporting formats for bilateral contracts between non-financial counterparties. As noted above, extending such formats to non-financial entities would introduce a major barrier to simplification. Non-financial counterparties below the clearing threshold pose limited systemic risk. It remains unclear whether Option 1b reflects this reality, specifically, whether bilateral contracts between such counterparties would fall outside the scope of reporting under this option.

As a general note, since many of the legislative frameworks defining reporting obligations have recently been updated or are currently undergoing updates, further changes should, for the time being, be paused and more generally be carefully considered.

In line with this, we support a cautious, step-by-step approach. As a first step, before any reporting changes are being initiated, we recommend regulators should start with assessing and carrying out an exercise of post-reporting reconciliation of the data already received across different regimes. Often, challenges may stem from insufficient data sharing, master date inconsistencies between different reporting regimes or issues in data reconciliation post-reporting, rather than gaps in the reporting obligations themselves. Addressing these issues could reveal opportunities to streamline reporting requirements without undergoing immediate changes to existing frameworks.

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

Energy Traders Europe acknowledges that Option 2a could bring benefits in the longer term, but we consider this as a rather theoretical approach which would be highly challenging in practice.

In theory, these changes appear to help addressing several of the challenges identified in Section 3, including inconsistencies in reporting requirements and overlapping obligations across different regulations.

In practice, we remain sceptical about the complexity of a single template. Even when transactions overlap, the differing objectives of each regulation mean that different reporting requirements demand varying levels of detail. Any such decision impacting the current reporting substantially should only be made after establishing a data strategy with clear milestones and objectives including:

- Stock taking of existing data available through different reporting regimes in the EU;
- Determination of regulatory needs;
- Analysis of potential gaps;
- Establish data sharing and enhance cooperation among regulators.

In general, changes to different reporting frameworks need to be driven by assessing and aligning the level 1 text of the different reporting frameworks as initiator of reporting requirements and not vice versa. Non-Financial Counterparties below the clearing threshold pose limited financial risk. We remain uncertain about the impact of Option 2a on bilateral contracts between such counterparties. In particular, it is unclear whether Option 2a takes this into account and ensures that only market participants and contracts already in scope of MiFIR reporting would be captured, given that the proposed reporting channels under Option 2a are limited to Financial Counterparties and CCPs.

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

Energy Traders Europe sees several critical limitations and risks associated with Option 2a. First, to provide a thorough response, we would appreciate more detailed information on the potential implementation of Option 2a – for instance, with respect to bilateral financial transactions concluded by non-financial counterparties that are currently reportable under EMIR, or the envisaged reporting channels for financial transactions executed via MTFs or OTFs.

The following points should be considered if contracts between non-financial counterparties would fall under Option 2a:

- Option 2a assumes a one-size-fits-all approach by centralising reporting under MiFIR. However, many market participants (MPs), particularly in the energy sector, are not subject to MiFIR. For such entities, moving from EMIR to MiFIR-based reporting would create disproportionate challenges, both technically and operationally. Smaller firms would be especially affected, lacking the resources to manage such a significant transition.
- EMIR has just undergone substantial updates, including the Refit, recent technical standards and the latest review of the Level-1 text. These required major investment in terms of systems, processes, and staff training. Furthermore, the recent EMIR review has required significant resource allocation not only from market participants but also from regulators, including ESMA, which is currently finalising Level 2 measures (RTS and ITS). Option 2a risks

undermining this recent regulatory alignment by rendering those investments obsolete, which is neither cost-efficient nor justifiable from a policy or industry perspective.

- The structural shift to MiFIR-based unified reporting would involve substantial changes to legal, technical, and reporting frameworks. This transformation would come at a high implementation cost and carries the risk of operational disruptions, data inconsistencies, and regulatory misalignment during the transition.
- If not well-implemented, a single template could create an excessive number of reporting fields, making it harder for parties to identify those relevant to their transactions. Existing investments could be wasted, and the experience gained over the past decade could no longer be fully utilized.

We are concerned that the costs required to implement this option would outweigh the potential benefits, even in the long term. The regulatory, operational, and IT overhauls required would impose a substantial burden on market participants, particularly those with limited resources or those who do not benefit proportionally from such integration.

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?

We agree with the theoretical advantages of Option 2a, however Energy Traders Europe believes that for assessing Option 2a the balance of cost and benefits must be taken into consideration as starting point. A move from multiple reporting frameworks to a single template covering all the framework would require a comprehensive cost-benefit analysis and a phased implementation approach that adequately consider industry engagement and coordination. Without this structured approach, the risk of operational disruption and regulatory inconsistency is high.

We, therefore, stress the need for a thorough cost-benefit assessment and a coordinated data strategy, reflecting both the recent investment efforts by market participants and the capacity of authorities to process and use the incoming data effectively. This requires:

- a pause on changes to existing regime requirements;
- a thorough evaluation of existing reporting obligations under European reporting regimes;
- a systematic review to identify where regulatory authorities lack access to specific datasets and whether this hinders effective market oversight;

As alternative proposal, in our opinion, the development of a central data collection mechanism (or interoperable data-sharing framework) allowing authorities to access and exchange relevant

information in a secure manner could be a solution, leading to similar result without significant change of current reporting structures. This approach could enhance coordination across different regulators and jurisdictions while maintaining data confidentiality and integrity of each separate reporting regime.

As noted above, for bilateral contracts between non-financial counterparties, should they remain in scope, we would require further clarification on the envisaged reporting streams under Option 2a, given that reporting is stated to be performed by financial entities and CCPs.

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?

From our perspective Option 2b, if not carefully designed, may appear to be the least favourable way forward, as the level of complexity and related costs seem not be fully aligned with the key benefits.

A single reporting template could only be useful if the number of reporting fields across different regulations were first substantially reduced. However, we are doubtful that such a reduction is feasible, as it would require streamlining the scope of Level 1 regulations before reporting scope reductions could occur.

While concerns about complexity and costs are valid in the short to medium term, it is acknowledged that, if implemented correctly, a single reporting format across all regimes could lead to significant cost savings and a meaningful reduction in reporting burden in the long term.

Within today's reporting set-up we see the potential that option 2b could enhance integration of analytical and risk monitoring activities for a wider set of authorities. However, from a reporting party perspective, the benefits are limited in the short to medium term and seem misaligned with the principle of burden reduction and simplification.

Any such decision, therefore, should only be made after establishing a data strategy with clear milestones and objectives including:

- Stock taking of existing data available through different reporting regimes in the EU;
- Determination of regulatory needs;
- Analysis of potential gaps;

- Establish data sharing and enhance cooperation among regulators.

Additionally, we propose the development of a central data collection mechanism – or an interoperable data-sharing framework – that allows authorities to access and exchange relevant information securely. This would allow authorities to access and exchange relevant information in a secure manner while enhancing coordination across different regulators and jurisdictions.

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

In our perspective, option 2b could lead to the most complex reporting structure, particularly difficult to implement for non-financial counterparties.

We urge caution in disrupting the current data reporting and collection system. Creating a completely new data reporting structure or a new database is generally suboptimal, as it would require significant financial investments and could lead to stranded costs for all involved entities, in IT infrastructure, software development and testing. Moreover, it would require complex reconfigurations processes to ensure interoperability with existing or new systems.

From a business continuity perspective, transitioning to a new system could also introduce disruptions, data inconsistencies, and operational risks, ultimately jeopardising data quality and surveillance activity for years.

In addition, careful attention should be given to the reclassification of instruments. For example, maintaining the REMIT C.6 carve-out ensures that certain energy contracts are not unnecessarily brought under broader reporting obligations. Similarly, increasing reporting requirements for industrial companies to a level comparable with financial firms could create market entry barriers, particularly for small and medium-sized non-financial companies, by imposing disproportionate compliance costs.

In this context, a more efficient approach would be to report to a central data collection mechanism, allowing each party to extract the information they need, thereby avoiding duplication and reducing operational burdens. We explained this more deeply in our response to Q12.

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?

Unless the scope of reporting entities and required data fields is carefully assessed and streamlined before implementation, Option 2b could become the most complex and burdensome reporting format, offering no foreseeable reduction in reporting obligations, as explained above.

Since some of these legislative frameworks have recently been updated or are currently undergoing updates, further changes should, for the time being, be paused and more generally be carefully considered. In line with this, we support a cautious, step-by-step approach. As a first step, regulators should focus on assessing and carrying out an exercise of post-reporting reconciliation of the data already received across different regimes. Often, challenges may stem from insufficient data sharing between authorities or issues in data reconciliation post-reporting, rather than gaps in the reporting obligations themselves. Addressing these issues could reveal opportunities to streamline reporting requirements without undergoing immediate changes on existing frameworks

The introduction of additional reporting changes, even for reasons of simplification, might create a cliff edge effect, if not well considered, planned and timed. This could force firms to reallocate significant resources before the benefits of previous investments can be fully realised and place considerable strain on both operational and financial capacities.

Only when the data strategy and data alignment between frameworks can lead to a significant reduced reporting scope, Option 2a and or Option 2b from our perspective may be successful and such discussion in our perspective would need to start with alignment on the level 1 text of the regimes.

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?

<ESMA_QUESTION_CASR_15>

As detailed above, we believe that removing duplication within existing financial regulatory frameworks (EMIR, MiFIR, SFTR) should be prioritised, with for instance the implementation of Option 1a proposal. Even though its impact on non-financial counterparties is expected to be limited, if well-developed it could, in the short term, reduce burden.

Regarding a reporting data strategy, we propose leveraging and reinforcing existing EU-level mechanisms to create a complete and coherent data source. Improvements should focus on enhanced data-sharing arrangements rather than creating entirely new reporting structures. Double reporting, either within a single regulation or across multiple regimes, should be avoided. Before considering any substantial future changes, a thorough evaluation of existing reporting obligations is needed, alongside a review to identify any gaps that may hinder effective market oversight.

In this context, the concept of a single reporting template could be a useful solution, but only in the long term. Such an approach would require substantial streamlining of Level 1 regulations and careful planning to ensure that the benefits outweigh the complexity and costs. In the short and medium term, reinforcing existing frameworks and developing an interoperable data-sharing system appears to be the most efficient path. This would reduce duplication, improve coordination among authorities, and maintain data integrity across EU reporting regimes.

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?

In principle, ESMA's proposals, Option 1 (remove duplication) and Option 2 (report once), do not need to be mutually exclusive and could complement each other over time.

We believe any simplification exercise should begin with immediately achievable improvements, such as:

- **Align master data across regimes** – harmonizing core data elements (e.g., company IDs, commodity price references) would allow reuse across regimes, enable automation, reduce errors, and cut costs, while focusing standard reporting on core oversight data. Lifecycle information and other non-essential data should remain ad hoc.
- **Simplify where possible** – implement improvements such as single-sided reporting for ETDs and removal of unnecessary MiFID position reporting.

In the medium to long term, building on existing strengths:

- **Adopt a phased, strategic approach** – define objectives, identify stakeholders, and set milestones for gradual implementation. Option 1a (removal of duplication) should be treated as a pre-condition, while Option 2a (report once) could be implemented over time, based on

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EMIR, which is recognized as the most sophisticated reporting regime, internationally aligned, and focused on data quality.

- **Ensure data proportionality and accuracy** – collect only data necessary for effective oversight; excessive or non-essential reporting increases costs, generates noise, and risks inconsistent interpretation.

As highlighted in our response to the Commodity Derivatives Consultation in April 2025, the preconditions for implementing the above include:

- Pausing changes to existing regime requirements;
- Thoroughly evaluating existing European reporting obligations;
- Systematically identifying gaps where regulators lack access to specific datasets and assessing whether this hinders market oversight;
- Developing a central data collection mechanism or interoperable data-sharing framework for secure access and exchange of relevant information.

This approach balances short-term efficiency gains for regulators with the long-term objective of streamlining reporting frameworks, minimizing burdens on market participants, and improving reporting quality, comparability, and oversight effectiveness.

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?

We are supportive of transferring the responsibility for reporting on-venue transactions under MiFIR and EMIR to trading venues, provided the implementation remains proportionate, avoids unnecessary complexity, and ensures that market participants are not held liable for data they cannot control or validate.

Trading venues are in the best position to report on-venue transactions accurately and consistently, as they originate and manage the relevant order book data. Aligning reporting responsibility with the data owner improves data quality, enhances transparency, and eliminates inconsistencies resulting from duplicative reporting frameworks. This view is consistent with our broader recommendation that simple, venue-led reporting structures are preferable to complex, dual-reporting obligations, as requested under REMIT II Data Reporting requirements.

Furthermore, we advocate for the broader adoption of a single-sided reporting regime, not only for on-venue transactions but also for bilateral trades (as better specified in our response Q...). In bilateral transactions, clear and predictable allocation of reporting responsibility, such as assigning

the reporting duty to the counterparty with the higher EMIR classification (e.g. FC > NFC+) or, in cases of equal status, defaulting to the seller, would reduce compliance uncertainty and streamline internal processes. This approach would avoid the inefficiencies and reconciliation issues associated with double-sided reporting.

However, we strongly caution against creating hybrid models where trading venues report part of the data, but market participants are expected to enrich or validate it. As we have noted in previous consultations, MPs are generally unable to conduct quality checks on venue-generated orders within current operational timelines. Requiring additional flagging or reconciliation responsibilities risks introducing more errors and undermining the intended efficiency gains.

Finally, any transition must be guided by robust cost-benefit analysis and reasonable implementation timelines. A minimum of 12 months implementation time should be granted after final specifications and documentation are published, and backloading of legacy data should be avoided.

In conclusion, transferring reporting responsibilities for on-venue transactions to trading venues could be a logical and efficient step, especially if accompanied by a move toward clear, single-sided reporting responsibilities in both venue and bilateral contexts. This would ensure proportionality, clarity, and enhanced data quality, while reducing the operational burden on market participants.

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?

We are supportive of transferring the responsibility for reporting on-venue transactions under MiFIR and EMIR to the trading venues, MTFs or OTFs, where the transaction has been concluded, provided the implementation remains proportionate, avoids unnecessary complexity, and ensures that market participants are not held liable for data they cannot control or validate. Trading venues, MTF and OTFs, are in the best position to report their on-venue transactions accurately and consistently, as they originate and manage the relevant order book data. Aligning reporting responsibility with the data owner improves data quality, enhances transparency, and eliminates inconsistencies resulting from duplicative reporting frameworks. This view is consistent with our broader recommendation that simple, venue-led reporting structures are preferable to complex, dual-reporting obligations, as requested under REMIT II Data Reporting requirements.

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However, we urge caution in implementing a reporting obligation for MTFs, OTFs, or non-financial counterparties to report transactions through trading venues instead of directly to Trade Repositories. Trading venues are not third-party reporting entities and should not be responsible for overseeing transactions that did not occur on their platforms. We consider general market oversight to be the primary responsibility of financial authorities.

If trading venues require additional information on off-venue (OTC) transactions to assess their own markets, such data can be requested on an ad-hoc basis. Expanding reporting obligations for off-venue transactions to CCPs or financial entities also raises significant concerns regarding data security and competition law, which must be carefully considered.

Furthermore, we advocate for the broader adoption of a single-sided reporting regime, not only for on-venue transactions but also for bilateral trades (as better specified in our response Q...). In bilateral transactions, clear and predictable allocation of reporting responsibility, such as assigning the reporting duty to the counterparty with the higher EMIR classification (e.g. FC > NFC+) or, in cases of equal status, defaulting to the seller, would reduce compliance uncertainty and streamline internal processes. This approach would avoid the inefficiencies and reconciliation issues associated with double-sided reporting.

However, we strongly caution against creating hybrid models where trading venues report part of the data, but market participants are expected to enrich or validate it (except for data only known to market participants and not available to trading venues). As we have noted in previous consultations, MPs are generally unable to conduct quality checks on venue-generated orders within current operational timelines. Requiring additional flagging or reconciliation responsibilities risks introducing more errors and undermining the intended efficiency gains.

Finally, any transition must be guided by robust cost-benefit analysis and reasonable implementation timelines. A minimum of 18 to 24 months implementation time should be granted after final specifications and documentation are published, and backloading of legacy data should be avoided.

In conclusion, transferring reporting responsibilities to trading venues, MTFs, and OTFs could be a logical and efficient step, **but only for transactions executed on their own platforms**. If combined with clearly defined, single-sided reporting obligations for both venue-based and bilateral transactions, this approach would enhance proportionality and clarity, improve data quality, and reduce the operational burden on market participants.

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?

We do not support an immediate, broad shift toward centralised reporting to ESMA across all sectors. However, as a first step, we could support ESMA assuming a central role for harmonising and managing reporting within the financial sector. This initial focus should be implemented carefully to enhance data access, interoperability, and regulatory oversight without imposing new reporting obligations or disrupting existing reporting flows for market participants. Currently, market participants already report data to well-established entities such as Trade Repositories (TRs) under EMIR and Approved Reporting Mechanisms (ARMs) under MiFIR. The proposed approach should not fragmentate the existing reporting structure but rather be built on them.

Following this, we suggest the creation of a central data access mechanism, or interoperable data-sharing framework, that builds on existing reporting systems. This concept is also well-detailed in our response to the [European Commission's review of the functioning of commodity derivatives markets and certain aspects relating to spot energy markets](#). Such a mechanism would allow authorities ESMA, ACER, National Competent Authorities (NCAs), and National Regulatory Authorities (NRAs) to access data more effectively from a single, secure access point. This approach would streamline oversight, enhance consistency, and reduce duplication of effort while preserving existing infrastructures and regulatory mandates.

The so-called "center for cooperation" would not be a new supervisory body but a coordination platform to enhance collaboration, based on existing structures such as the Memorandum of Understanding between ESMA and ACER, which as previously mentioned should be also subject to a fit check. The center's main task could be implementing the data access strategy by developing the necessary technical interfaces for cross-regime post-reporting data access and exchange. Among others, the center could also:

- Conduct joint market studies based on the shared dataset e.g., annual reviews, deep-dives on market behavior, systemic risk, or liquidity stress.
- Develop crisis coordination protocols, defining information flows, roles, and pre-agreed measures for events like defaults or major market disruptions.
- Host regular high-level strategic meetings to align on priorities, regulatory developments, or new proposals affecting both energy and financial markets.

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- Facilitate joint consultations and impact assessments, as was done in the evaluation of the market correction mechanism.
- Provide a confidential forum for cross-sectoral discussions on major investigations, if needed.

According to our opinion, the center should include seconded representatives from the participating authorities, allowing real-time coordination while preserving institutional knowledge and sectoral expertise. This structure would ensure operational alignment without changing existing reporting responsibilities or creating supervisory overlap.

There are already regional models such as the Nordic regulators' cooperation or the MIBEL (Mercado Ibérico de Electricidade) coordination between Spain and Portugal that demonstrate the value of such frameworks.

In conclusion, rather than centralising reporting into ESMA or changing current data flows, we support a model focused on interoperability, shared access, and structured cooperation. This approach would enhance regulatory effectiveness across sectors while minimising disruption for market participants and respecting established roles.

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 aspects, technical implementation, etc.)

<ESMA_QUESTION_CASR_20>

As already stated in our response to Q19, we do not agree with the creation of a full centralisation of reporting, as this would entail significant structural, operational, and legal changes without clear added value compared to more pragmatic alternatives. However, in the context of a centralised access mechanism or interoperable data-sharing framework (as described in the aforementioned response), we acknowledge the following advantages:

- **Improved Regulatory Oversight:** A single access point would allow ESMA, ACER, NCAs, and NRAs to obtain a more complete, cross-sectoral view of market activity, enhancing the detection of systemic risks, cross-market manipulation, or liquidity stress.
- **Increased Data Consistency:** If well-designed such a mechanism could potentially support comparability across EMIR, MiFIR, and REMIT data regimes, helping ultimately to harmonise key reporting elements (while retaining existing frameworks) and gain a robust and meaningful market analysis.

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- **Support for Joint Supervision and Policymaking:** Shared access to comprehensive datasets would enable joint market monitoring, crisis assessments, and impact studies across authorities, fostering a better-informed and more agile regulatory environment.
- **Efficiency Gains for Regulators:** A single access point would reduce the need for repeated or siloed data requests, lowering administrative burdens and enabling faster, better-informed responses during stressed market conditions.

Contrary, we believe that a full Centralisation of Reporting would have the following limits and lead to several disadvantages:

- **Operational Disruption:** Replacing or bypassing existing systems like TRs, ARMs, and RRMes would disrupt well-established reporting processes used by thousands of market participants and may lead to duplication or data quality issues during the transition.
- **Legal and Institutional Complexity:** A new reporting regime would require redefining mandates across ESMA, ACER, NCAs, and NRAs. This risks institutional overlap, confusion over supervisory responsibilities, and potential conflicts over data ownership or confidentiality.
- **Cost and Resource Intensiveness:** Establishing new IT infrastructure for direct reporting, onboarding entities, and ensuring compliance could incur very high costs, significantly higher than the one-off cost foreseeable for building interoperability interfaces under existing systems.
- **Market Impact:** Imposing direct reporting to a central EU-level body might increase compliance burdens for reporting entities, especially smaller actors or those active only in national markets. There is also a risk of reduced responsiveness or flexibility at the national supervisory level.

Conclusion: Rather than centralising reporting into a single EU-level body, we recommend a more practical and lower-risk approach focused on centralised data access and enhanced interoperability. This allows regulatory authorities to benefit from improved data sharing and joint oversight without imposing new reporting obligations or disrupting well-functioning existing frameworks. This approach offers key advantages:

- It is scalable: by prioritising access and comparability over structural overhaul, it can evolve gradually based on regulatory needs and implementation experience.
- It draws on existing regional cooperation models, such as MIBEL and Nordic regulatory collaboration, which demonstrate that effective cross-border coordination does not require reporting centralisation.

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- It can be implemented efficiently by leveraging existing operational infrastructure (TRs, ARMs, RRM)s) and aligning with current reporting practices, avoiding unnecessary duplication.
- Technically, it should focus on interoperability using APIs and shared data standards, with layered access controls to ensure secure and scalable use.

In short, a centralised access framework, rather than full reporting centralisation, could offer the best balance between regulatory effectiveness, operational feasibility, and market stability.

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, Distributed Ledger Technology (DLT) and smart contracts have the potential to streamline the reporting process, particularly from the perspective of developers and IT infrastructure. They can enhance automation, data integrity, and back-end transparency.

However, from the end-user's point of view, especially in the energy sector, the reporting processes implemented by companies are already highly automated, with minimal human intervention in the actual data reporting. Introducing DLT would primarily impact on the underlying software architecture and data handling processes, rather than the user interface or overall user experience. As a result, while technology could offer backend improvements, the visible changes for users would likely be limited

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?

Energy Traders Europe draft response: The costs associated with dual-sided reporting mainly stem from duplicated data submissions, extensive reconciliation efforts, and the operational complexity of ensuring data consistency between counterparties. This creates inefficiencies and increases compliance burdens for reporting entities. For smaller counterparties, reporting is often delegated to another entity, effectively creating a form of "single-sided reporting" with only

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additional administrative effort. Even under a formal single-sided reporting framework, smaller companies may continue to delegate, which could largely eliminate cases where members report only occasional transactions, such as a single sale per year.

We strongly believe that mandatory audits would not improve the situation. Audits would simply act as a substitute for dual-sided reporting, shifting the compliance burden rather than concretely reducing it. Additionally, external audits are already a well-established practice under national laws, and many firms voluntarily perform them as part of robust control frameworks. Making audits mandatory within the reporting regime would only add complexity without delivering tangible benefits or reducing overall costs. Therefore, audits should remain voluntary and aligned with existing legal obligations rather than introduced as a replacement for reconciliation.

In general, we believe that while dual-sided reporting does not really reduce the ability of reporting entities to fully control the data submitted to authorities, discrepancies can easily arise due to differences in data interpretation, timing, or internal system configurations. This often leads to reconciliation failures, regulatory queries, and unnecessary remediation efforts. We therefore believe that a move toward strictly single-sided reporting could alleviate these challenges. Allocating clear responsibility to one party per transaction, based on a transparent hierarchy (e.g., FC > NFC+, or default to the seller when both parties are equal) would eliminate duplication, simplify compliance processes, and improve data integrity. Such a model would preserve regulatory oversight while removing one of the most burdensome and error-prone aspects of the current EMIR framework.

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?

Energy Traders Europe acknowledges the objective of reducing the reporting burden where appropriate. However, we believe that any modification to reporting frequency should be carefully assessed against the cost-benefit principle as outlined by ESMA. Reporting should not be changed simply for the sake of frequency reduction unless there is a clear and measurable benefit for both market participants and regulators, and only after having taken all the necessary steps to assess the current reporting regime across various frameworks.

Specifically, we do not believe that reducing the frequency of reporting (e.g., from daily to weekly for instance) automatically leads to a meaningful reduction in the overall burden. Many of the

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underlying operational and technical processes, such as data extraction, validation, and reconciliation, would still need to occur regularly to ensure data quality and compliance.

On the other hand, for example replacing daily reporting requirements with a longer sequence could provide time for additional controls internally before submittal of data and with that increase the reporting quality overall.

In conclusion, Energy Traders Europe supports changes to reporting requirements where there is clear added value and demonstrable efficiency gains. Any proposals to modify frequency should be based on robust evidence that the benefits clearly outweigh the costs and do not impair the quality or timeliness of the data available to regulators

Q24 Proportionality measures: how do you consider proportionality can be taken into account in the context of burden reduction in regulatory reporting? What specific measures would you propose and how would you quantify their impact?

Proportionality should be a key part of any effort to reduce the regulatory reporting burden. But it is important to be clear: proportionality is not the same as simplification, and simplification is not the same as harmonisation. These are separate concepts and should not be mixed. Even small changes to the current reporting framework could hugely impact Market Participants and therefore should go through a clear cost-benefit assessment, focused on what data is truly necessary and what adds unnecessary volume. This would respect the principles of proportionality and simplification, helping to keep reporting requirements practical and focused.

There's still a common belief that more data automatically means better oversight. In reality, collecting too much data can make it harder to spot real risks and adds strain for both firms and regulators. What matters is collecting the right data, and market participants are already providing that information.

We therefore stress the need for a thorough cost-benefit assessment and a coordinated, cross-regulatory, step-by-step data strategy. This strategy must reflect both the significant investment efforts already made by market participants and the realistic capacity of authorities to process, analyse, and use incoming data effectively. Without this, continued expansion or modification of reporting requirements risks generating more noise than insight, undermining both compliance efficiency and supervisory outcomes.

To support this, we propose, as highlighted in our response to Q2, the following steps:

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- **A pause on changes to existing regime requirements:** A regulatory pause would provide space for reflection and allow market participants and authorities to stabilise and consolidate existing frameworks before introducing further changes.
- **A thorough evaluation of current reporting obligations:** This should include a cross-regime review of EMIR, REMIT, MiFID II, and MiFIR to identify redundancies, overlaps, or low-value reporting fields that contribute to the compliance burden without enhancing oversight.
- **The development of a central data collection mechanism or interoperable data-sharing framework:** a possible solution could be, as better described above, the creation of a center for cooperation between existing authorities. This would allow ESMA, ACER, NCAs, and NRAs to access and exchange relevant information efficiently, while maintaining confidentiality, respecting jurisdictional mandates, and avoiding duplication. The **Memorandum of Understanding (MoU) between ESMA and ACER** provides a useful precedent for cross-sector cooperation. However, in light of recent regulatory developments and the enhanced powers of both agencies, a **fit check of the MoU** is warranted to ensure it remains aligned with evolving supervisory needs and capabilities.

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?

All the cost factors mentioned in this question are relevant and apply. As an association, we are unable to provide detailed cost breakdowns due to the significant variation in compliance costs among our members.

The related costs depend on company categorization, most of our members are non-financial counterparties, and on the business scope of individual entities.

In the energy sector, most companies report fully automated, daily EMIR transactions to trade repositories, as required by the legal framework governing energy commodity derivatives. Some smaller members, however, may have few or no reported transactions, as they conclude their financial derivatives exclusively with financial counterparties or on trading venues, which fulfill the reporting obligations on their behalf.

Further insights could be collected through a detailed questionnaire targeting energy trading companies, which would provide the most accurate information.

Q26 Question for reporting entities under EMIR: what is your estimated average cost per transaction (on-going cost) to comply with the reporting requirements under EMIR? This cost should include not only the fees associated with reporting through trade repositories (which usually includes data collection and information storage) but also the total cost, including any other cost lines, such as, IT maintenance and support, training, data processing and audit fees. Do you identify any other relevant ongoing cost line?

Please see our response to Q25.

Q27 Question for reporting entities under MiFIR: what is the one-off cost of implementing mifir requirements to date? This cost should include all cost lines, such as familiarisation with obligations, staff recruitment, training, legal advice, consultancy fees, project management and investment/updating in it. Do you identify any other relevant one-off cost line?

Please see our response to Q25.

Q28 Question for reporting entities under MiFIR: what is your estimated average cost per transaction (on-going cost) to comply with the reporting requirements under MiFIR? This cost should include not only the fees associated with reporting through Approved Reported Mechanisms but also the total cost, including any other cost lines, such as, IT maintenance and support, training, data processing and audit fees. Do you identify any other relevant ongoing cost line?

Please see our response to Q25.

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?

Please see our response to Q25.

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.)?

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Please provide a detailed breakdown of these costs, including any one-off and ongoing expenses. What is the estimated average cost saving per transaction?

As detailed in our response to Question 1, Option 2b is our least preferred solution. Integrating EMIR, MiFIR, and REMIT reporting into a single format would have the most significant direct impact on energy trading firms in Europe.

In our recent response to the EC commodity derivatives review regarding integrated reporting between EMIR, MiFIR, and REMIT, we estimated that transitioning to a single, consolidated reporting framework could require investments ranging from €30 billion to €150 billion. Such substantial costs may be unnecessary at a time when regulatory data requirements remain unclear. This estimate aligns with the previously indicated annual industry cost of €1–4 billion for EMIR, MiFIR, and SFTR reporting, excluding additional costs for physical transactions reporting under REMIT.

A significant change in reporting formats would likely demand 10 to 30 times the effort required to maintain existing systems, potentially leading to additional costs for European companies exceeding €100 billion. Premature investments without clear and stable regulatory parameters risk inefficiencies and wasted resources, and the same considerations apply to regulators.

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