

# ROUNDED UP

THE OFFICIAL NEWSLETTER OF REGIS-TR



**REGIS-TR**

a SIX company



## WHAT'S IN THIS ISSUE?

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2022 has been nothing if not eventful - both in terms of global news and within the regulatory reporting space.

The heatwave throughout Europe is not the only hot topic on our minds - EMIR REFIT remains in the top spot. With the recent news that the European Commission has endorsed the RTS, we take a closer look into the preparations in this Newsletter.

Keep your eyes peeled on our social channels and website for updated REFIT information that we will soon be publishing - perfect light reading for your summer holidays when you just can't keep away from the regs!

Our award winning podcast is coming to the end of its 7th season and continues to be the hub for regulatory reporting, fintech and regtech news and views. Javier Hernani, CEO at BME and Head of Securities Services for SIX features on a recent episode in which he talks about our journey through the disruption of SFTR and EMIR REFIT. He also looks forward to greater integration of CSD and CCP services between SIX and BME, plus the emergence of digital assets and the impacts they will have on market infrastructure providers across the EU and the world. Catch up now on your favourite streaming platform!



**Javier Hernani, CEO at BME and Head of Securities Services for SIX Group**

# A NEW STAGE OF REFIT PREPARATIONS

BY JESÚS BENITO, FOR S&P GLOBAL NEWSLETTER

Across Europe, Trade Repositories and market participants have one topic at the forefront of their minds – the timeline and implementation of EMIR REFIT. Preparations have been well underway for some time now and the increasing pressure on participants to futureproof their reporting and mitigate increased costs is leading many institutions to look at their existing set-ups and reassess the value in using external vendors for data management services. Similarly, the need to quickly disseminate the constant drip of updated information received from the Authorities, and through the various industry working groups, means that we are in a critical stage where market participants are increasingly dependent on cross-industry support.

Now that the European Commission has endorsed EMIR REFIT's draft RTS and ITS, the industry is drawing closer to the reporting start date for EU REFIT, which is likely to have a very tight time lapse with other jurisdictions such as the UK. The recent endorsement means that once the RTS and ITS are published in the Official Journal, the 18 month countdown to the go-live of EMIR REFIT begins. The three month non-objection period is expected to finish on 10 September 2022, with the publication in the Official Journal shortly following, meaning that the go-live of REFIT can be expected in the first half of 2024. With this just on the horizon, the adaptation to these new standards will now become a key topic in most roadmaps throughout the industry - mostly due to the magnitude of the changes, but also due to the opportunities they will bring.

When it comes to changes introduced by the regulation, the prominent increase in the number of reportable fields will represent a great challenge for counterparties, but this is only the tip of the iceberg. Following our experience with SFTR, submitting entities will comply with the reporting obligations using ISO20022, which will benefit standardisation whilst simultaneously representing a technical burden to many entities.

Another key aspect following implementation is the requirement to upgrade all outstanding derivative contracts to REFIT data quality within the first six months. This could pose significant challenges to counterparties in the retrieval of the specific details to be reported, particularly when relating to legacy contracts.

However, coexistence of data types reported under different quality standards proved to be a challenge after the implementation of the 2017 RTS, creating substantial issues for counterparties, TRs, and Authorities alike. With this requirement to upgrade, EMIR REFIT will, at least in a mid-term, avoid the repetition of the issues experienced historically.

In addition to the reporting requirements, we will see a significant spike in the number of fields exchanged amongst TRs for reconciliation. The new requirements also foresee the reconciliation of dynamic data such as valuation updates, which will diverge for entities calculating the valuation amounts in different timestamps or reporting on equally valid dates such as  $t$  and  $t+1$ . These scenarios, and the need for counterparties to put in place efficient procedures to resolve reconciliation mismatches, leave open questions and key issues to be addressed ahead of the implementation.

In ESMA's most recent data quality reports, we have seen that reconciliation rates, misreporting and late reporting are three issues of notable concern on the supervisory side. EMIR REFIT will facilitate the monitoring of these vital parameters by introducing new standardised reports for entities and Authorities that provide information around missing valuation and collateral data, or flags on potential misreported lifecycle events. It also foresees the adaptation of existing reports – currently made available to Authorities in a statistical manner – to provide breakdown information on rejections and reconciliation mismatches.

The direction of regulatory changes towards harmonisation and standardisation is clear. With this standardisation, we can expect to see a significant increase on data quality from various perspectives, which will potentially be observed – after the initial six months – through increases on the reconciliation rates. Improvements on data quality will ultimately lead to better usability and data comparability, opening a myriad of new opportunities to explore in the mid-term.



**Jesús Benito**  
Chairman of REGIS-TR.

Jesús also leads the Domestic Custody & Trade Repositories unit at SIX. He is also CEO of BME's Iberclear, the Spanish CSD.

# REGIS-TR's growing portfolio of Partners

REGIS-TR is interoperable with many of the leading intermediaries in the regulatory reporting lifecycle. With our wide range of partners connecting industry-leading front, middle and back office software platforms, our clients can benefit from operational advantages and greater levels of efficiency.

REGIS-TR's Partnership Programme now boasts 20 partners from various stages of the reporting chain, with Regnology and Fund Recs the most recent regtech brands added to the growing programme.

Regnology (formerly BearingPoint RegTech) is a leading provider of innovative regulatory, risk and supervisory technology solutions. Reflecting the existing and ongoing collaboration between REGIS-TR and Regnology, the official partnership will see a continuation of the common work across the regulatory technology space, creating solutions and services to increase efficiency within the regulatory reporting market.

Fund Recs develops cloud-based reconciliation software for the global Funds Industry which simplifies complex reconciliation and data transformation. Through this partnership, Fund Recs will have direct access to the REGIS-TR trade repository to automatically retrieve trade data on behalf of their clients. This partnership will greatly simplify and streamline the reconciliation process for Fund Recs' clients.

\*Full press releases on our public website



**Laura Rodríguez Molina**  
**Head of Institutional Relations**  
**Languages:** Spanish, English & French

"Being involved in the first news related to potential changes on regulatory reporting (consultation papers, draft technical standards etc) is one of my favourite activities within the team. I really enjoy supporting the National Competent Authorities (NCAs) on the process of new adaptations, as well as solving questions on the data they gather from REGIS-TR, that can help them to better perform their supervisory tasks. In addition, having calls and meetings with the NCAs from so many different countries is a great experience!"



**Aušrinė Juškevičiūtė**  
**Institutional Relations Officer**  
**Languages:** Spanish, English, German & Lithuanian

"As the first point of contact with the Supervisors and the main coordinator of the communications and the official responses, I like that our team gets to become aware and is involved in all topics from the very beginning. Monitoring the legislative proposals and new political initiatives and then discussing our views and strategy in Regulatory Strategy meetings is a very interesting part of my job. I got to be involved in a "task force" for two licence application processes (UK EMIR and SFTR), which was very exciting."



**Álvaro Jiménez Velázquez**  
**Institutional Relations Officer**  
**Languages:** Spanish & English

"What I value the most about working in IRM is the close contact and direct exchange with the Authorities on matters regarding their access to data at all levels. This gives you the opportunity to see first-hand what the actual needs of these entities are in the exercise of their supervisory role, and provides you with a broad perspective and good understanding of the nature of all the work we perform as a company."

## MEET THE TEAM

### INSTITUTIONAL RELATIONS

# TECHNICAL NEWS

COVERING EMIR, SFTR, FINFRAG & UK EMIR

## EMIR REFIT - Endorsement of RTS & ITS

The countdown is (almost) on! The European Commission has recently endorsed the EMIR REFIT Regulatory Technical Standards (RTS) and Implementing Technical Standards (ITS).

Over the next few months, any issues can be raised by the European Parliament and Council and after that, regulations will be published in the Official Journal of the European Union and will enter into force on the twelfth day. THEN the 18 month countdown to EMIR REFIT go-live begins - meaning that the go-live is looking like Q1 or Q2 of 2024.

## Change to UK GTCs

In order to lighten the administrative burden when changes to the UK EMIR General Terms and Conditions (GTC) are required, changes to the UK EMIR GTC's may be communicated by electronic means rather than physical mail.

## Change of UK address

Further to our recent acquisition by SIX, REGIS-TR UK Ltd moved its registered address to the SIX London premises on 1 June 2022. The team based in London are now located at 6 Devonshire Square, London EC2M 4YE

## Q3/Q4 Release Plan

REGIS-TR		2022					
		Q3			Q4		
		Jul	Aug	Sep	Oct	Nov	Dec
EMIR			1 Aug			28 Nov	
SFTR						21 Nov	
FinfraG						21 Nov	
UK EMIR		25 Jul				28 Nov	

## July 2022

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