



October 2016

Central Bank publishes letter relating to the reporting requirements of EMIR

Under Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (“**EMIR**”), counterparties to derivative transactions are required to provide Trade Repositories (“**TR**”) with information regarding derivative trades. This information is also made available to, and monitored by, competent authorities to manage and mitigate systemic and contagion risk.

In addition to the aforementioned reporting, the Central Bank has required non-financial counterparties with significant derivative positions to complete and submit an EMIR Regulatory Return (“**ERR**”) for the period ending 31 December 2015. During the course of 2016 the Central Bank undertook a detailed review of a selection of such ERR submissions to ensure that reporting is of a high standard. The review focused on whether the data was complete, accurate and reliable, taking into account the requirements of EMIR.

Further to those reviews, the Central Bank published a letter (the “**Letter**”) on its website on 30 September 2016 to provide feedback to the ERR respondents on the main issues identified to help such respondents improve their compliance with the reporting requirements of EMIR. As such, the findings in the Letter are relevant to all market participants who are required to report details of their derivative transactions to TRs. The recommendations in the Letter are as follows;

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- ▣ a counterparty which has delegated reporting arrangements should ensure it receives regular feedback from the delegate in order to reconcile the data in the TR database with its own internal systems. Counterparties should also ensure, where required, that relevant remedial action is undertaken to ensure compliance with EMIR. The provision of such feedback should be included in any delegated reporting agreement entered into by a counterparty;
- ▣ where a counterparty is availing of a delegated reporting service it should ensure it receives details of any rejected trade submissions from the reporting entity and confirm that appropriate remedial action has been taken. This requirement should be included in any delegated reporting agreement entered into by a counterparty;
- ▣ the Central Bank expects that all counterparties regularly review TR Rejection Reports, to ensure that:
 - (i) all trade submissions are successfully reported to a TR;
 - (ii) revised correct data submissions, where required, are made on a timely basis; and
 - (iii) remedial action has been undertaken to limit the number of rejected reports in the future.
- ▣ a counterparty with an LEI in place should ensure that details of this are shared with any entity with which it trades or to which it has delegated reporting;
- ▣ all reviews of trade repository data should confirm that the counterparty is correctly identified with its LEI;
- ▣ counterparties should ensure that LEIs are renewed annually. Lapsed LEIs will not be deemed valid for reporting purposes. In this regard entities offering delegated reporting services are recommended to monitor the renewal date for a clients' LEIs and, in a timely manner, notify the client accordingly;
- ▣ counterparties should ensure that a unique trade identifier, communicated to all relevant parties in advance of the trade being reported to a TR, is applied to individual trades. A counterparty should be in a position to explain how it ensures the UTI is unique; and
- ▣ where responsibility for UTI generation is delegated to another entity the delegating counterparty should ensure that it is advised of the UTI in a timely manner. The counterparty should be aware of how it can be deemed unique; and

A copy of the Letter is available on the Central Bank's website:

<http://www.centralbank.ie/regulation/EMIR/Documents/EMIR%20Industry%20Feedback%20Letter.pdf>

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