News release

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**PwC: Trade repositories authorised -   
countdown to EMIR reporting begins**

**London, 7 Nov 2013** ‑‑ The European Securities and Markets Authorities has today announced that under the European Market and Infrastructure Regulation (EMIR), the first trade repositories will need to begin EMIR reporting for all derivative counterparties in February 2014.

As a result, any derivative counterparty in the European Economic Area (EEA) that is subject to EMIR, including corporates and other unregulated market participants, will be required to provide complex reports for transactions in all derivative asset classes (interest rates, foreign exchange, equity, credit and commodities) and for both over-the-counter (OTC) and exchange-traded derivatives from 12 February 2014.

The new reporting obligation will require substantially more detailed information than regulated firms are currently reporting to the Financial Conduct Authority (FCA). Firms will need to manage the new derivative reporting regime in parallel to the existing FCA reporting regime. Corporates and unregulated counterparties which currently have no reporting obligations must build or delegate reporting to meet this new requirement.

Crispian Lord, regulation partner at PwC, said:

“Firms only have a few months to get to grips with this new regulation and there are significant risks to getting it wrong. It may seem fairly straightforward, but the extent of the data required is troubling many in the market and experience shows that it doesn’t take much to get this reporting wrong, with significant consequences.

“The internal system interactions can be complex and vulnerable to corruption from direct and contingent system changes. As such, reporting parties need to ensure that there are control processes to identify errors. Also, where you plan to delegate the reporting function to a third party, this does not delegate the responsibility of getting it right.

“Our work in the market over the past few years with clients found that the fines levied for incorrect transaction reporting can be substantial, but the remediation costs and management time associated with these issues can result in costs that are many multiples of the fine.”

**END**

* ESMA’s announcement can be found [here](http://www.esma.europa.eu/news/PRESS-RELEASE-ESMA-registers-DDRL-KDPW-Regis-TR-and-UnaVista-trade-repositories?t=326&o=home)
* EMIR fulfils several of the Over the Counter (OTC) derivative market reforms agreed by G20 countries to reduce systemic risk and bring more transparency to both OTC and listed derivatives markets. The EMIR reporting obligation is designed to give regulators a comprehensive view of derivative trading conducted in the EEA. Every derivative counterparty will be required to submit a report to an EMIR authorised trade repository when it enters into, modifies, or terminates a contract. Trade repositories would then be required to ensure that the trades are reconciled.

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