

EACT Response – European Commission consultation on Commodity Derivatives

Question: Do you believe that REMIT reporting, on the one hand, and MiFID/MiFIR/EMIR reporting, on the other hand, should be streamlined and/or more harmonised? If so, could you point to specific reporting items that need to be streamlined/aligned, and how? In particular, please explain whether the provision under REMIT which aims at avoiding double reporting for transactions already reported under the 3rd financial framework effectively allows to prevent double reporting and, if not, why.

Corporate treasuries welcome the European Commission's initiatives on **simplification, rationalisation and reducing duplicative reporting** which benefit EU SMEs and large corporates alike, enabling them to focus on growth and innovation.

The move to a **single sided reporting** model for all OTC derivative transaction reporting under the EMIR framework would mark a genuine step towards simplification for EU businesses. EMIR's current dual-sided reporting regime for derivative transactions, where both the corporate (NFC) and the bank counterparty (FC) report on the same transaction to trade repositories, creates a separate and duplicative reporting processes.

Dual-sided reporting creates costly processes in addition to internal controls and risk mitigation requirements already in place for normal transactions under EMIR.

To **ensure Europe's competitiveness** as well as **retain and attract corporate treasury centres**, the EU **should align with international jurisdictions** that have already adopted single-sided reporting regimes, notably the US, Canada, Japan and Switzerland. These single-sided reporting models are based on 'golden source' data directly from the transaction processes. Many multinational companies therefore decide against setting up their treasury centres in the EU because of the additional burden posed by dual-sided reporting.

In addition to moving towards single-sided reporting, other areas of EMIR reporting should also be examined to reduce complexity. In particular, the fragmented application process for corporates to be granted an **intragroup reporting exemption**. Under current process of requesting this exemption, corporates must apply to multiple national supervisors (NCAs) with multiple processes. This application should be as harmonised and coordinated as possible.