

DTCC CONSULTING SERVICES

Ensure Your Reporting Infrastructure Is Fit for Refit

LET US HELP YOU PREPARE FOR THE UPCOMING REVISED EMIR REPORTING REQUIREMENTS

Scheduled for implementation in April 2024, the European Securities and Markets Authority (ESMA)'s regulatory fitness and performance programme (Refit) for the European Market Infrastructure Regulation (EMIR) is the most significant amendment to trade reporting rules in the EU since exchange traded and over-the-counter (OTC) derivatives reporting first came into force under its first iteration in 2012.

It is expected that the Financial Conduct Authority (FCA)'s EMIR reporting rules will be updated to broadly align with ESMA, with implementation anticipated in H2 2024.

KEY CONSIDERATIONS

- › Front to back processes, data requirements and lineage, particularly for exchange traded derivatives (ETD) submissions
- › ETD versus OTC split and how these trades are processed internally
- › Workflow documentation for reconciliation breaks
- › Unique Product Identifier (UPI) implementation once it becomes available, including how UPIs will be exchanged at the point of trade execution and how the information will be propagated downstream
- › Backloading including data requirements, when you will execute, and any required updates
- › The impact of moving away from legacy messaging to ISO20022
- › Sourcing the data for the total of 203 fields now required
- › The impact to delegated reporting arrangements
- › Collateral systems and how they will support the added complexity of reporting pre and post haircut information, and strengthens auditing and regulatory management to their distribution partners. This information includes, but is not limited to, investment objectives, fee schedules, contingent-deferred sales charges, commission data, breakpoint schedules and linkage, as well as information typically not disclosed in regulatory documents, such as blue sky and social code eligibility.



OUR EXPERTISE. YOUR ORGANIZATION.

For nearly 50 years, our clients have trusted us to solve some of the biggest issues facing the global financial services industry. This unique vantage point has enabled us, through DTCC's family of companies, to develop techniques and tools that can help firms drive innovation and transformation.

Talk to us today to schedule a complimentary evaluation with our experts to help you devise a strategy for your EMIR Refit reporting implementation.

HOW CAN WE HELP YOU PREPARE FOR EMIR REFIT?

Our regulatory reporting experts at DTCC Consulting Services are uniquely positioned to help you address some of your most important operational and regulatory challenges in a complex and ever-evolving environment.

An adaptable consulting services model offers various ways to help address your specific objectives and your desired readiness. Our specialists can provide a range of services including:

 IMPACT ANALYSIS	<ul style="list-style-type: none">› Outline a summary of EMIR Refit changes to help with rules interpretation and implementation› Review the existing documentation related to EMIR reporting and delta analysis› Analyze the impact of the EMIR Refit changes and specific gaps across report construction/generation, messaging, trade capture› Outline high level change requirements and review with key stakeholders
 BUSINESS REQUIREMENT DOCUMENT CREATION AND DATA REQUIREMENTS	<ul style="list-style-type: none">› Create comprehensive business and data requirements documentation› Review and refine documentation in partnership with operations and technology stakeholders› Handover to technology teams for prioritization and implementation planning
 TESTING	<ul style="list-style-type: none">› Design and create end-to-end test cases including functional and technical specifications› Develop broader test strategy including integration, regression, and user acceptance testing› Execute testing of impacted front-to-back systems and provide reporting and metrics, defect tracking and analysis› Will offer an EMIR Refit Test Pack with a structured set of scenarios to check the changes executed and the readiness ahead of the go live date as well as help identify problem areas for remediation <p><i>*Test pack sold separately</i></p>
 CONTROLS	<ul style="list-style-type: none">› Utilize our reporting control framework reference model and industry expertise to help evaluate control gaps and implement improvements› Conduct diagnostic analysis against our control framework model and recommend enhancements in preparation for global regulatory reporting and data changes, including EMIR Refit› Analyze, design, and define business requirements for controls requiring enhancement› Support implementation of target state reporting control processes, organization, and technology, as well as remediation of current reporting issues
 POST-IMPLEMENTATION REVIEW	<ul style="list-style-type: none">› Post-implementation reviews to provide senior management with an independent assessment and help validate system improvements› Technical advice through conduct of benchmarking analysis and provision of reporting and metrics

FOR MORE INFORMATION

**Please contact DTCC's Client Account Representative Team
at (212) 855-8877.**

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