

EMIR: Trade Reporting

December 2013



If you are a counterparty established in the European Union (EU) that executes OTC derivative transactions, then you will be subject to new reporting requirements in respect of those transactions from 12 February next year under the European Market Infrastructure Regulation (EMIR). This document provides an overview of these requirements and how BNP Paribas may assist you in meeting them.

The reporting of exchange-traded derivatives (ETD) will also commence on the same day, after the European Commission rejected a proposed postponement from the European Securities and Markets Authority (ESMA). If you also trade ETD, we would recommend that you contact your appointed clearing broker for further information on how this may impact you.

Obligations & deadlines

The key points to note as regards the reporting obligation and its phase-in are as follows:

- ⇒ The **core requirement** is for counterparties and CCPs to report the details of any derivative contract that they have concluded to a trade repository registered under EMIR. In addition, **life cycle events**, such as amendments and terminations of a transactions, as well as e.g. collateral movements, also fall within the scope of the reporting obligations (see further below).
- ⇒ The **"go-live" date** for the reporting of any given OTC derivative product under EMIR will be **90 days** after the registration of the first trade repository for reporting of the relevant product takes effect. Since **the first trade repositories (DTCC Derivatives Repository Ltd, KDPW, Regis-TR S.A., UnaVista Ltd, CME Trade Repository Ltd and ICE Trade Vault Europe Ltd.) were recently registered**, the official go-live date for reporting of any contracts covered by their initial registrations is **12 February 2014**. Further information on these deadlines is available on the [ESMA website](#).
- ⇒ The reporting obligation will extend to the **back-reporting** of derivatives transactions entered into on or after 16 August 2012 (as well as older transactions that were still outstanding on that date).
- ⇒ The deadline for back-reporting will be **90 days** after the "go-live" date (with the exception of those transactions no longer outstanding on the go-live date but which were live on – or entered into on or after – 16 August 2012, which must be reported **within 3 years** after the go-live date).

More information on the scope and application of the reporting obligations is available



Regulation

EMIR

Dec.
2013

Timelines

16 August 2012

Trade reporting obligation applies to all contracts entered into before 16 August 2012 which remained outstanding on that date and all contracts entered into on or after 16 August 2012

12 February 2014

The first trade repositories for the reporting of OTC derivatives were registered on 7 November 2013. With the reporting obligation effective 90 days later, 12 February 2014 is now the official "go live" date for reporting.

Further information

If you wish to discuss further, please contact the BNP Paribas European Regulatory Reforms team (Regreform.eu@uk.bnpparibas.com) or your BNP Paribas Relationship Manager or Sales Representative



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in ESMA's latest [EMIR FAQ](#).

Our reporting services

We appreciate that many of our clients will not be direct members of any trade repository registered under EMIR. However, ESMA have confirmed in their [EMIR FAQ](#) that it is permissible for one party to a derivatives transaction to report on behalf of both parties or, alternatively, a third party (e.g. a CCP) to report on behalf of one or both counterparties.

With this in mind, we have therefore been developing dedicated EMIR reporting services for clients that execute OTC derivatives transactions with us. Depending upon your precise requirements, this may allow us to help you meet your reporting obligations under EMIR.

Our principal trade repository membership is with Depository Trust & Clearing Corporation (**DTCC**). We will use our membership of DTCC both for the purposes of meeting our own reporting obligations and also providing our agency reporting services, as described further below. We will inform you if we decide to use other trade repositories in the future.

An execution-based service

At this stage, our reporting services will cover OTC derivatives trades that you enter into with BNP Paribas. If you also execute transactions with one of our affiliates then, depending on the circumstances, they may also be able offer reporting services to you. Our initial service will not cover trades that you enter into with unrelated third parties or intra-group trades.

An evolving service

Considerable work is still on-going at the industry level to ensure that reporting can "go-live" in line with the timetable set out in the EMIR technical standards on the format and frequency of trade reporting. The European authorities have recognised that reporting services will need to evolve as the various requirements are phased-in and trade repository functionality develops. As regards our service specifically:

- BNP Paribas will report new trades concluded as from the reporting start date.
- We may also assist with the back-reporting of transactions that were concluded prior to the go-live date (see the fourth arrow on p.1 above).
- We will be able to report the principal trade data (or "common data") in respect of your transactions with us from the go-live date.
- We will also be able to report your 'static' counterparty data.

As things stand, our "day 1" reporting service would not have the facility to vary your counterparty data on a trade-by-trade basis. In the event that some of your counterparty data varies by trade (e.g. the identity of any broker you may use as an intermediary in your dealings with us or your dealing capacity), then we may either leave this field blank in our reports to the trade repository (e.g. for optional fields such as the broker field) or else replace it with a static data field (e.g. the trading capacity field, which can be defaulted to either "principal" or "agent" depending upon how you transact), although you will still need to update us should any of this data change.

Our initial offering will also not cover the reporting of valuation and collateral data. The requirement to report this information is not due to be phased in until 180 days after the "go-live" date (i.e. until 11 August 2014). We will keep you updated as we get closer to the phase-in of this requirement.

It is important that, where we report trade data on your behalf, that the data you provide is accurate. It is also important to ensure that the reporting service is consistent with your other obligations under EMIR, (including, in particular, the requirement for you to confirm the terms of your transactions with us on a timely basis).

In the event that you identify any potential discrepancies in the terms of any OTC derivative transaction that you enter into with us, e.g. in the course of reviewing the confirmation that we provide to you, then (subject to our examination and acceptance of the apparent discrepancy) we will have the facility to re-submit the report that we have made to the trade repository.

Reconciliation of trade data against DTCC records will be undertaken by BNP Paribas. However, if you prefer to undertake reconciliation of data yourself, you will need to be on-boarded with (and reconcile the data directly with) DTCC. This would also enable you to view the reports made by BNP Paribas on your behalf.



What you would need to do

If you are interested in taking advantage of our agency reporting services, which initially will be provided free of charge, we would need you to:

- Provide us with a Legal Entity Identifier (LEI). Each country will have a specific authority (known as the National Numbering Agency) responsible for generating LEIs for counterparties in their jurisdiction (e.g. the London Stock Exchange's in the UK). If you have not already sought a LEI from your National Numbering Agency, then we would encourage you to do so as soon as possible. Using a LEI (rather than, e.g. an interim standard) should eliminate the need to complete a number of counterparty-specific reporting fields.
- Review and sign our service agreement relating to the provision of the reporting service by BNP Paribas, including making elections as to the reporting services selected. Please note that we cannot negotiate this document. You must make sure you are aware of your obligations under this agreement as failure to meet these could affect our provision of the reporting service.
- We will provide you with a template file (in electronic format) which you will need to complete with the counterparty data BNP Paribas will report on your behalf. Please be aware this is the information that will be reported to the TR, so it is extremely important this data is accurate. To avoid manual processing and mistakes that could result from this, we ask that you return the file back in electronic format with the data in the format specified. Looking ahead, we will need you to advise BNP Paribas immediately of any changes to your data through the following e-mail address: (regreform.eu@uk.bnpparibas.com).

Other standards

As you may know, one of the other elements required to report your transaction data will be a unique, per-trade identifier, or "Unique Trade Identifier" (UTI). The UTI will, amongst other things, allow regulators to identify two sides of the same trade where they are reported separately by the two counterparties. The LEI and UTI are in addition to the Unique Product Identifier (UPI) which will be specific to the type of transaction that you transact with us. Together, these are the three core standards that will be used to report trades under EMIR.

We propose to generate the UTI where you undertake OTC derivatives transactions with us and you delegate the reporting of those transactions to us. In other cases, the UTI may be generated by other means. We are very happy to explore the logistics of this further with you.

Further questions

If you have any other comments or questions around our reporting services, please contact the BNP Paribas European Regulatory Reforms team (Regreform.eu@uk.bnpparibas.com) or your usual relationship or sales contact.

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