

10 March 2021

Circular on Regulation N^o 648/2012 – The European Markets Infrastructure Regulation ('EMIR'/the 'Regulation')

- EMIR Reporting Validation Rules Applicable from 8 March 2021

This Circular is being addressed to all market participants, particularly entities who enter into derivative contracts and which fall within the scope of EMIR, namely, financial ('FC') and non-financial counterparties ('NFC') as defined under EMIR (jointly hereinafter referred to as 'Counterparties').

This Circular should be read in conjunction with [EMIR](#), its Delegated Regulations and previous circulars issued by the Authority, as the case may be.

Overview

When reporting, counterparties should take into account the Validation Rules applied by Trade Repositories to ensure that reporting is performed according to the EMIR regime, including the specifications of the Technical Standards.

The Authority would like to inform market participants that the updated [EMIR Reporting Validation Rules](#) are applicable as of 8 March 2021 and are now in effect.

ESMA had initially postponed the applicability of the validation rules due to technical issues related to their implementation in light of the UK's withdrawal from the EU.

Amendments to the EMIR Validation Rules¹

Timestamps

- **Field 1.1:** *The reporting timestamp should be equal or earlier than the timestamp of the receipt of the report by the TR. The date part of the timestamp cannot be earlier than the day preceding the date of the receipt of the report by the TR. The reporting timestamp should be equal or later than the execution timestamp reported in the field 2.25. The reporting timestamp should be equal or later than 2014-02-12. The receipt of the report should be understood as the moment the report enters a TR's system.*

¹ In this section, sentences in bold refer to additions in the Validation Rules.

- Field 1.19: If field 1.17 is populated, this field shall be populated in a common input format: YYYY-MM-DDThh:mm:ssZ. The valuation timestamp should be equal or later than 2014-02-12. Otherwise, the field shall be left blank.

Initial and Variation Margin

- Field 1.24: If field 1.21 is populated with "OC" or "FC", this field shall be populated. If field 1.21 is populated with "U" or "PC", this field shall be left blank. Up to 20 numerical characters including up to 19 decimals. The decimal mark is not counted as a numerical character. If populated, it shall be represented with a dot. Negative values are not allowed.
- Field 1.26: If field 1.21 is populated with "PC", "OC" or "FC", one of the fields 1.26 or 1.30 shall be populated (with a positive value or zero) while the other field shall be left blank or populated with zero. If field 1.21 is populated with "U", this field shall be left blank. Up to 20 numerical characters including up to 19 decimals. The decimal mark is not counted as a numerical character. If populated, it shall be represented with a dot. Negative values are not allowed.
- Field 1.28: If field 1.21 is populated with "FC", this field shall be populated. If field 1.21 is populated with "OC", this field shall be left blank. Up to 20 numerical characters including up to 19 decimals. The decimal mark is not counted as a numerical character. If populated, it shall be represented with a dot. Negative values are not allowed.
- Field 1.30: If field 1.21 is populated with "PC", "OC" or "FC", one of the fields 1.26 or 1.30 shall be populated (with a positive value or zero) while the other field shall be left blank or populated with zero. If field 1.21 is populated with "U", this field shall be left blank. Up to 20 numerical characters including up to 19 decimals. The decimal mark is not counted as a numerical character. If populated, it shall be represented with a dot. Negative values are not allowed.

For Fields 1.24, 1.26, 1.28 and 1.30, the *Action type* field marked as *Valuation Update* ("V") for both the Trade and the Position level has been amended from Optional ("O") i.e., the field shall be populated if applicable to Conditionally Mandatory ("C"), i.e., the field is required to be filled if the specific conditions set out in the validation rules are met.

Dates

- Field 2.27: When populated, shall be populated in a common input format: YYYY-MM-DD. The value of this field shall be greater than or equal to the value of the field 2.26. The maturity date should be equal or later than 2014-02-12.
- Field 2.28: When populated, shall be populated in a common input format: YYYY-MM-DD. The value of this field shall be greater than or equal to the value of the date part of the field 2.25. If fields 2.28 and

2.27 are both populated, the value of this field shall be less than or equal to the value of the field 2.27. The termination date should be equal or later than 2014-02-12.

- *Field 2.29: When populated shall be populated in a common input format: YYYY-MM-DD. The value of this field shall be greater than or equal to the value of the date part of the field 2.25. The settlement date should be equal or later than 2014-02-12. This field is repeatable.*
- *Field 2.82: If field 2.1 (Contract type) is populated with "ST" this field shall be populated in a common input format: YYYY-MM-DD. The maturity date of the underlying should be equal or later than 2014-02-12.*

Clearing obligation

- *Field 2.34: If Field 2.15 is not populated with a MIC code of a trading venue that was a regulated market or of a third-country market considered as equivalent to a regulated market at the time of conclusion of the derivative, this field shall be populated and shall contain one of the following values "Y" or "N".*

Intragroup

- *Field 2.38: If Field 2.15 is not populated with a MIC code of a trading venue that was a regulated market or of a third-country market considered as equivalent to a regulated market at the time of the conclusion of the derivative, this field shall be populated and shall contain only one of the following values: "Y" or "N". 1 alphabetic character.*

Next Steps

Trade Repositories will implement these new validations to ensure that reporting is performed in line with the respective EMIR regime and will reject reports received that are not in line with these requirements. In this respect, market participants should ensure that they comply with not only the updated validations, but also their ongoing obligations under EMIR.

Please be guided accordingly.

Should you have any queries in relation to the above, please do not hesitate to contact the Authority on EMIR@mfsa.mt.