

30 June 2021

The Investment Firms Regulation and Directive – 5th Briefing

1. Introduction

On 26 June 2021, the Investment Firms Regulation and Directive (the “IFR” and “IFD” respectively, together “the IFRD package”) become applicable. The MFSA has created [a section on its website](#) dedicated to the IFRD Package circulars.

The purpose of this briefing is to provide the industry with additional information with respect to its reporting requirements introduced by the IFR and that are applicable to Class 1 minus that are subject to IFRD, Class 2 and Class 3 investment firms. Furthermore, this briefing also provides information about the Conduct related data reporting requirements applicable to all the Investment Firms.

2. Entrance into force of the new reporting framework

The below reporting requirements will replace the current one and become applicable as of Q3 2021 for all firms having their accounting year-end as at 31 December.

For Investment Firms having a different accounting year-end, the below reporting framework becomes applicable once the reporting period covers at least 3 months under IFRD applicability.

3. EBA - XBRL Return

Reporting format

The reporting requirements under Part seven IFR are to be submitted in XBRL, by adopting the [EBA reporting framework v3.1](#), and must be compiled in line with the [ITS on Reporting and disclosures for investment firms](#).

As this represents a departure from the current Excel based prudential reporting framework, Investment Firms are urged to take the necessary measures, including onboarding the required software solution, to ensure they are in a position to submit the respective Annexes in XBRL format.

Please note that the templates will not be modified (e.g. automated) in any way by the MFSA as the data submitted needs to be forwarded to the EBA without alterations.

Reporting means and nomenclature

The EBA – XBRL Return is to be submitted to the MFSA through an ad hoc LH Portal project. Further information will be circulated in due course.

Investment firms should familiarise themselves with the nomenclature to be adopted in line with the EBA reporting framework v3.1. Investment firms are required to ensure that they possess a LEI code as this a mandatory field for submission.

Reporting timelines

Applicability	Class 2	Class 3	Class 2 & 3
File name	Annex I	Annex III	Annex VIII ¹
Frequency	Quarterly	Annually	Quarterly
Deadline*	42 days after the end of the accounting-quarter	42 days after the end of the accounting-year	42 days after the end of the accounting-quarter

*In view that this is the first submission under IFRD, quarterly reports covering reporting periods between 01 July and 30 September 2021 are allowed a grace period to submit by 11 February 2022.

Audit requirements

Investment Firms are not required to submit the audited Annexes as was previously required for Appendices 2C and 2A. Nonetheless, in line with Article 2 of the ITS on reporting and disclosure requirements, where audited figures deviate from submitted unaudited figures (e.g. following the auditor's review certain figures which impact the XBRL Return data are adjusted), the revised figures shall be submitted without undue delay.

Testing phase

The MFSA will be launching a testing phase for the EBA – XBRL Reports submissions and recommends and welcomes all investment firms to participate. Additional information will be provided in due course.

4. MIFID FIRMS QUARTERLY REPORTING AND LIST OF FINANCIAL INSTRUMENTS

The Conduct-Related Data, previously included in the Conduct-Related Data Return (for former Category 1 Investment Services Licence Holder and Credit Institutions licensed in terms of the Investment Services Act) and within the COREP Return (for the former Category 2 and Category 3 Investment Services Licence Holders), will now be submitted as a new separate return, named as MiFID Firms Quarterly Reporting. As from Q3 2021, all the Investment Firms providing MiFID services to retail, professional and/or eligible counterparties are required to submit the MiFID Firms Quarterly Reporting through the 'Investment Firms reporting' project on the LH Portal using the naming convention: CODE_JAN2019_MFREP.zip.

As from reports covering Q3 2021, the MiFID firm quarterly reporting return will also include a number of prudential tabs to cover financial information that was in the previous COREP Return but is not captured in the EBA – XBRL return. The template of the revised return will be issued in due course but no new information which has not already been requested will be included.

The MiFID Firms Quarterly Reporting is to be submitted within 42 days after the end of the applicable reporting period.

¹ To be reported only when Article 8 IFR is applied

The reporting requirement for the submission of the List of Financial Instruments remains the same, i.e. 42 days after the end of the reporting period, using the naming convention: CODE_JAN2019_FIList.zip.

Reporting timelines

<i>File Name</i>	<i>Applicability</i>	<i>Frequency</i>	<i>Deadline</i>
<i>MiFID Firms Quarterly Reporting</i>	<i>Investment Firms providing MiFID services</i>	<i>Quarterly*</i>	<i>42 days after the end of the reporting period</i>
<i>List of Financial Instruments</i>		<i>Bi-annual</i>	<i>42 days after the end of the reporting period</i>

*Class 3 firms are required to compile the tabs in relation to prudential data bi-annually.

Audit requirements

The prudential tabs within the annual (Q4) MiFID Firms Quarterly Report require to be audited, as will be indicated within the return, and submitted four (4) months after the accounting reference date.

5. CBM REPORTING

Data pertaining to the Central Bank of Malta, which was previously collected through a specific section within the MFSA's COREP Return, will be collected through a separate slightly modified return. The CBM will be organizing a virtual MS Teams meeting on the 16 July 2021 wherein specific guidance and further instructions will be provided. In the meantime, you will be receiving a formal email communication from the CBM so as to register those officials in your organisation who will be authorised to send the return in the CBM's portal.

Should you have any queries in relation to this briefing, please contact us on investmentfirms@mfsa.mt or financialpromotion@mfsa.mt accordingly.