

06 October 2021

Circular on Updates to the Q&As on Regulation (EU) N° 648/2012 - the European Market Infrastructure Regulation ('EMIR' or the 'Regulation')

Introduction

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 counterparties ('FCs') and non-financial counterparties ('NFCs') as defined under EMIR.

This Circular should be read in conjunction with the Regulation, its Delegated Regulations and previous Circulars issued by the Authority, as the case may be.

Overview

The Authority would like to inform market participants that the European Securities and Markets Authority ('ESMA') has updated the [Q&A Document](#) on practical questions regarding reporting of valuations and LEI changes due to mergers and acquisitions relating to Article 9 of the Regulation.

The purpose of the Q&A is to promote common supervisory approaches and practices in the application of EMIR. It provides responses to questions posed by the general public, market participants and competent authorities in relation to the practical application of the Regulation. This document aims to ensure that the supervisory activities of the competent authorities under the Regulation are converging along the lines of the responses adopted by ESMA. It should also help investors and other market participants by providing clarity on reporting requirements.

Updates to the Q&A document¹

TR Question 3b – Reporting Valuations (additional question and answer)

(f) Should counterparties send valuation update on the last day of a derivative and for intraday derivatives? (i.e. derivatives that are concluded and terminated on the same day)?

¹ In this section, sentences in **bold** reflect the amendments carried out to the Q&A Document

TR Answer 3b

(f) No, it is not required to send valuation and collateral data in those cases.

TR Answer 40 (Amendment)

~~Each of the counterparties to the derivatives, where any of the merged entities is identified, is informed of the modification by the TR to which they report.~~ TR(s) should inform the relevant reporting counterparties, report submitting entities, entities responsible for reporting (to the extent that they are participants to the TR) as well as third parties which have been granted access to information under Article 78(7) of Regulation (EU) No 648/2012, as applicable, involved in the derivatives contracts concerned by the LEI change.

Contacts

Should you have any queries on the above, please do not hesitate to contact the Authority's EMIR team on EMIR@mfsa.mt for any further clarifications.