

27 October 2022

## Circular on Regulation N° 648/2012 – The European Market Infrastructure Regulation ('EMIR'/the 'Regulation')

### - *Publication of EMIR REFIT Technical Standards*

This Circular is being addressed to all market participants, particularly entities which 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.

It is strongly recommended that one reads this Circular in conjunction with the Regulation, its Delegated Regulations and previous Circulars issued by the Authority, as the case may be.

#### **Overview**

On 7 October 2022, the European Parliament and Council approved a set of Technical Standards stemming from the EMIR REFIT. The said Technical Standards have been published on the [Official Journal](#) of the European Union.

The entities falling within the scope of EMIR which are impacted by these technical standards are required to comply to such changes by **29 April 2024**. At which point firms will then need to report details on their derivative transactions under the new standards and start upgrading outstanding derivatives to this new format.

This is the most extensive set of changes since the inception of EMIR. These changes *inter alia* include:

1. New data fields:

- 174 Reporting Fields & 29 for Collateral/Margin Data
- 41% are newly introduced fields
- 19% are existing fields being updated
- 105 are Common Data Element fields, moving close to international data harmonization

2. Unique Product Identifier (UPI) to be used when ISIN is not available;

3. New ISO 20022 XML Data Format.

#### **Further Information on the Implementing Technical Standards (ITS)**

The new Technical Standards outline the set of uniform requirements safeguarding fair competition throughout the Union. For reporting firms, they confirm:

- The implementation timeline (18months);
- The start date for reporting under the new standards on 29 April 2024;
- The grace period for reporting outstanding derivative contracts (6 months);
- The reporting of key harmonized fields LEI, UTI, ISIN, UPI direction (replacing buyer/seller);
- The procedures required between reporting parties to fulfil their reporting obligations.

Despite the 18-month implementation period starting 20 days after the entry into force of the ITS/RTS, at the time of publication of this article, the industry still lacks the necessary Level 3 material to build to go-live specifications:

- Final validation rules;
- Final guidelines for reporting under EMIR REFIT;
- Final ISO 20022 XML Schemas for reporting, reconciling and assessing TR data.

## Contacts

Should you have queries on the content of the Circular, please do not hesitate to contact the Authority on [EMIR@mfsa.mt](mailto:EMIR@mfsa.mt).