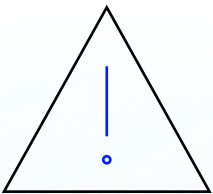


How can lessons learned from EU EMIR Refit help firms prepare for the UK go-live?

By James Hardie

As the UK gears up for the implementation of the UK EMIR Refit in September, there are valuable lessons to be drawn from recent experience with the EU EMIR Refit, which went live on 29 April 2024.



Some firms faced technical difficulties in adhering to the new ISO 20022 XML standard.

In the first few weeks following the implementation, some firms seemed to face technical difficulties in adhering to the new ISO 20022 XML standard. This included Regulatory Reporting clients who did not have access to tools to convert derivative and margin messages, with data revealing that nearly a quarter (24%) received rejections due to schema errors.

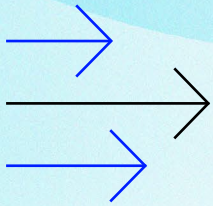
Of particular note was also the high rate of reconciliation breaks associated with numerical fields, such as prices and quantities. These issues highlighted the significant challenge firms face in ensuring the accuracy and consistency of reported values in derivatives transactions.

As the UK prepares for its own EMIR Refit in September, the transition to ISO 20022 XML standards will be a major challenge for firms, which need to be proactive in addressing this to avoid the schema errors and rejections following the EU implementation.

How our XML Converter tool can help

To help firms navigate these challenges effectively, our XML Converter tool is designed to facilitate seamless compliance with the new regulations by converting derivative and margin messages from Excel or CSV formats into the required ISO 20022 XML format. By leveraging this tool, firms can avoid rejections.





Our XML Converter tool is designed to facilitate seamless compliance with the new regulations.

The XML Converter enables:

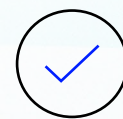
- 1 Error reduction:** The tool mitigates schema-related errors by ensuring all submissions meet the ISO 20022 XML standards. This leads to a substantial decrease in rejections due to invalid schemas.
- 2 Manual corrections:** In instances where derivative or margin messages contain exceptions, the XML Converter allows for manual corrections within Excel or CSV formats. This flexibility helps in managing reconciliation breaks and ensures smoother reporting processes.
- 3 Streamlined reporting:** The tool directly sends reports to the LSEG or DTCC EMIR trade repositories, simplifying the reporting process and reducing the complexity associated with multiple submission formats.
- 4 Cost efficiency:** By lowering the build and maintenance costs associated with XML reporting, firms can manage their compliance budgets more effectively.
- 5 End-of-day reports:** The XML Converter supports the consumption of regulator-mandated end-of-day reports in the correct format, making it easier to manage and analyse data.

Our XML Converter tool offers several strategic advantages:



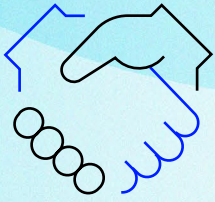
UPI Enrichment service:

Easy access to our Unique Product Identifier (UPI) enrichment service for all OTC derivative trades helps maintain consistent and accurate trade data.



Reduced rejection rates:

By addressing the technical challenges upfront, firms can cut the rejection rate for invalid schemas to zero, ensuring a smoother regulatory reporting experience.



By taking these proactive steps, firms can navigate the complexities of the UK EMIR Refit with confidence.

Ensure your firm is ready for UK EMIR Refit

The upcoming UK EMIR Refit presents both challenges and opportunities. By learning from the EU's experience and leveraging advanced tools such as our XML Converter, firms can not only meet compliance requirements but also optimise their reporting processes for greater efficiency and accuracy.

By taking these proactive steps, firms can navigate the complexities of the UK EMIR Refit with confidence, ensuring they are well-prepared for the regulatory changes ahead.

Contact us

To learn more about how you can prepare for the UK EMIR Refit and avoid the schema errors and rejections, contact us at regreportingsales@lseg.com or visit our [website](#). Our team is ready to assist you in achieving seamless compliance and enhancing your regulatory reporting capabilities.



LSEG POST
TRADE

Contact us

Email regreportingsales@lseg.com

Phone +44 (0)20 7797 1122

Website www.lseg.com/en/post-trade/regulatory-reporting

Disclaimer

By making this communication, none of London Stock Exchange plc and/or its group undertakings (which shall be construed in accordance with section 1161 of the Companies Act 2006) (together "LSEG") intend to invite or induce you to engage in any investment activity.

This communication does not constitute an offer to buy or sell, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorised, or in which the person making such an offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such an offer or solicitation.

All information in this communication is provided 'as is' and LSEG makes no representations and disclaims, to the extent permitted by law, all express, implied and statutory warranties of any kind in relation to this communication, including warranties as to accuracy, timeliness, completeness, performance or fitness for a particular purpose.

LSEG does not accept any liability for the results of any action taken or omitted to be taken on the basis of the information in this communication. The information in this communication is not offered as advice on any particular matter and must not be treated as a substitute for specific advice. In particular, information in this communication does not constitute legal, tax, regulatory, professional, financial or investment advice. Advice from a suitably qualified professional should always be sought in relation to any particular matter or circumstances.

All and any trademarks and service marks used herein, including but not limited to London Stock Exchange and the London Stock Exchange Group coat of arms device, ('Marks') are trademarks or service marks (whether registered or unregistered) of LSEG, its group undertakings and/or its respective licensors. Marks cannot be used, reproduced or transmitted in any form, either entirely or partially, without LSEG's/owner's express written consent.

LSEG Post Trade Regulatory Reporting is a trading name of LSEG Regulatory Reporting Limited and LSEG Regulatory Reporting B.V.

© 2024 London Stock Exchange Group plc all rights reserved.