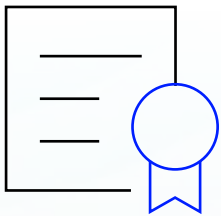


Moving ARMs: Transfer your reporting in four easy steps

By Catherine Talks

Many firms believe that switching their approved reporting mechanism (ARM) is an onerous process, akin to changing trade repositories, and one they do not feel prepared to undertake. But with the right support, moving ARMs is straightforward. Here we outline the four key steps involved in switching to LSEG Post Trade's ARM services, the benefits of moving and why now is the time to do it.



ARMs as regulated entities can be subjected to specific improvement priorities to ensure consistent and stringent data quality and governance.

Using an ARM or data reporting service provider (DRSP) for the purpose of MiFIR reporting provides investment firms with a number of [benefits](#). As regulated entities, ARMs are committed to high standards in terms of operational resilience, governance and data quality, providing information to ESMA and regulatory authorities for the purpose of reporting and supervision of EEA market participants. ARMs as regulated entities can be subjected to specific improvement priorities to ensure consistent and stringent data quality and governance.

Unlike EMIR, MiFIR does not currently contain any porting obligations. A firm can move to another service provider without having to move the data held in the current ARM. As the data is held by the authority, the logical sequence of reports should be submitted as per the record held at the authority.

What does this mean from a technical perspective?

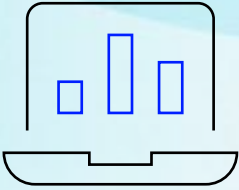
Usually the sequence of reports is as follows:

- The first instance of a report at an ARM/NCA must be NEWT or a new transaction
- After a NEWT, only a CANC can be sent; a CANC is the equivalent of an error message and removes the NEWT record
- Following a CANC, either no report is sent or another NEWT for the same unique key can be sent with the corrected transactional information

What you cannot report (per unique key) is a:

- NEWT followed by NEWT (CON-023)
- CANC before a NEWT (CON-024)
- CANC and then a CANC (CON-025)

The order must always be: NEWT – CANC – NEWT.



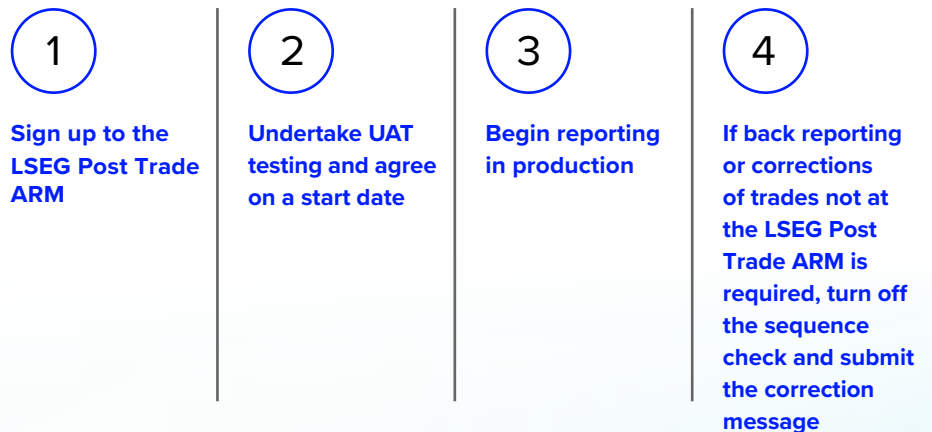
When you report to a new ARM the usual sequence should be NEWT – CANC.

How does this affect submissions to a new ARM?

When you report to a new ARM the usual sequence should be NEWT – CANC, as above. However, if the original report was sent to the historical ARM and accepted by the authority, submitting a NEWT will result in errors from the regulatory authority (the CON error codes are above) as it is a duplicate of a message already received.

To overcome this and support the smooth transition of the investment firm's data, while ensuring the process isn't onerous, LSEG Post Trade has implemented ARM functionality that enables you to turn the sequential check undertaken in the ARM on and off. This helps facilitate simple management of reports if your firm needs to correct a record that was not originally submitted to the LSEG Post Trade ARM as you can set a date range to ignore the sequence check (i.e., the logical sequence of reports: NEWT – CANC – NEWT, not NEWT – NEWT, CANC-CANC, CANC with no NEWT).

Switch ARMs in four easy steps

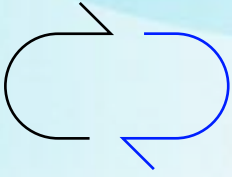


Why choose LSEG Post Trade as your new ARM?

By moving to LSEG Post Trade's ARM, you can benefit from access to a range of ancillary services that help you create a full control framework around MiFIR reporting. These ancillary services utilise not only your firm's own data but the power of the whole community of firms within the ARM, providing access to insights that would not be possible with direct reporting, such as peer-to-peer analysis.

Our ancillary services also help improve reporting performance by offering data quality reconciliations, more advanced validations including market reference data to analyse scenarios, and additional control framework checks, such as Sanctions Screening to flag potential errors to firms. Additionally, we recently launched a pairing and matching capability for MiFIR reports to highlight breaks with your counterparty that could indicate data quality issues – further enhancing control over reporting.

More advanced analytics breakdowns, such as root cause information for CON-412 (eligibility) errors, and greater eligibility solution capabilities, are also launching later this year to help you better manage regulatory risk and derive greater value from your reporting.



Transferring to our ARM service is easy, has a low technical burden and does not have a back-reporting obligation.

Conclusion

Transferring to our ARM service is easy, has a low technical burden and does not have a back-reporting obligation. It is as simple as agreeing on a start date at the ARM; testing supported by us to ensure that reports are valid and are accepted into the ARM; then, after go-live, submitting all new flow to the LSEG Post Trade ARM.

If any back reports are required that do not adhere to the usual sequence, your firm can self-manage the rule using the standard ARM functionality. This will ensure the correct message is sent to the NCA and that the logical sequence of reports at that NCA is adhered to. Importantly, there is no obligation to re-report all of the historical submitted data at the LSEG Post Trade ARM.

Ahead of upcoming FCA and EU regulatory reviews, now is the time to consider switching ARMs. To learn more about moving to our ARM service, contact us at regreportingsales@lseg.com or via our [website](#).



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