

EMIR Refit reporting

BME CLEARING

abril 2024

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1. Overview

With the entry into force of EMIR Refit scheduled for 29 April 2024, it is necessary to make the corresponding adaptations to comply with the regulatory requirements, the most relevant of which are the following:

- New "Event Type" field and its combination with the "Action type" field.
- Change of the report format from CSV to XML.
- Collateral and valuation information has been updated with additional calculations.
- Financial counterparties (FC) are now solely responsible for reporting on behalf of non-financial counterparties (NFC). Therefore, NFC are now required to provide accurate data to their financial counterparty in the transaction.

To facilitate the transition from EMIR reporting to EMIR Refit, the following document aims to explain the implementation of the key points.

2. General information

1. All derivative products (Financials, Energy, FX, xRolling stocks and Digital Assets) shall be reported at both trade and position level, with the objective of reflecting the actual exposure between a pair of counterparties. This exposure consists of a set of fungible derivatives (trades) with both economic and legal relationships between the counterparties, allowing for better risk management and a reduction of the joint exposure.
2. IRS products shall only be reported at trade level, in accordance with the lifecycle rules applicable to trade reporting.
3. With EMIR Refit, when a netted position becomes 0, there are two ways to communicate it:
 - Cancel the position with amount = 0 and reopen it when it becomes $\neq 0$ again, using a new position UTI, without sending any valuation between the cancellation of the first position and the constitution of the last one.
 - Keep the position open and report daily its valuation = 0 without sending the report at position level until it is $\neq 0$ again, thus having a single position UTI¹.

In order to harmonise the way of reporting the zero net positions and therefore, reduce the number of discrepancies, BME CLEARING will use the second option, according to the consensus reached in EACH.

¹ In this case, the last day to send the report at position level will be the day of the session when the position = 0.

3. UTI

With the entry into force of EMIR Refit, the composition of the UTI, both at trade and position level, will be modified as follows.

a. UTI at trade level

Number of characters	Components	Description	Examples
20	LEI	BME CLEARING's LEI	5299009QA8BBE2O0B349
8	Date	Registration date (Session Date) ISO 8601 format (YYYYMMDD)	20240214
11	Trade ID	Trade ID	00001475970
1	Direction	Indicates whether the Member is the buyer or the seller of the trade	1= Buy 2= Sell
4	Member code	Member to which the trade belongs	A777
2	Contract group	Segment identifier	C2 = Financial derivatives C7 = Energy C9 = IRS CC = Digital Assets Derivatives CD = xRolling FX
1	UTI Type	Indicates the level at which the UTI is being generated.	T = trade level

i.e.: 5299009QA8BBE2O0B34920240214000014759701A777C2T

b. Position UTI

The position UTI must be generated under the following structure:

Number of characters	Components	Description	Examples
20	LEI	BME CLEARING's LEI	5299009QA8BBE2O0B349
6	Date	Effective date of the position Format (YYMMDD)	240214

Number of characters	Components	Description	Examples
12	ISIN	ISIN code of the contract to which the position refers	ES0B00033265
4	Member code	Member to which the position belongs	A888
7	Member and collateral account	Member and collateral account to which the position belongs.	A88800P
2	Contract group	Segment identifier	C2 = Financial derivatives C7 = Energy C9 = IRS CC = Digital Assets Derivatives CD = xRolling FX
1	UTI Type	Indicates the level at which the UTI is being generated.	P = position level

i.e.: 5299009QA8BBE2O0B3492402141ES0B00033265A888A88800PC2P

From 29 April 2024, when a trade occurs that modifies or terminates a position already reported before the date of entry into force of Emir Refit, the position UTI shall be included in the subsequent UTI field. This subsequent UTI will therefore maintain the previous structure used in the EMIR reporting.

4. New fields

Field	Considerations
	Depending on the product, the following will be reported:
	- Financial derivatives (including xRolling stocks) → XMRV - Energy → XMPW - FX - xRolling Currency → XMFx - Digital Assets Derivatives → LMAF
Venue of execution	- Interest Rate Swap - According to the Trading platform: - TradeWeb → TWEB - Bloomberg → BTFE - According to the confirmation platform: - Non-EU → XXXX - EU → XOFF

Field	Considerations
Reporting Tracking Number (RTN)	It will be constructed as a result of the combination of 2 fields:
	- For all products except IRS: <i>ID of the initial trade + Execution date of the trade</i>² These fields will be available via messaging, clearing raw data files and harmonized files: - EoD raw data files: Fields 23 - <i>InitialTradeExecID</i> & 26 - <i>ExecutionDate</i> of the CTRADES file. - CCPTRADESEMIR harmonised file: Field #2_2 - FIX messaging: Tags # 527 - <i>SecondaryExecID</i> y 769 - <i>TrdRegTimestamp</i>² - IRS: <i>Initial Trade Id+ Initial trading datetime</i>² These fields will be available via clearing raw data files and harmonized files: - EoD raw data files: Fields 5.3 - <i>Initial Trade ID</i> & 5.5 - <i>Initial trading datetime</i> of the CTRADES file. - CCPTRADESEMIR harmonised file: Field #2_2
Prior UTI	This field shall only be reported in the following cases: - For all products except IRS: Those trades that are reported because of a life-cycle event in the original trades and are part of a position whose Action Type is 'NEWT' and Event Type is 'NOVA' or 'CORP', shall be assigned as PRIOR UTI, the UTI of the original position. - IRS: The PRIOR UTI shall only be communicated for those trades whose Event Type is "COMP", this being the UTI of the original trade.
Subsequent Position UTI	This field shall only be reported for those trades whose Action Type is "POSC", i.e., which are to be part of a position. The value to be taken by the Subsequent Position UTI shall be the UTI of the position in which the trade is to be included, as described in section 3.b) of this document.

² Dates format YYYYMMDD

Field	Considerations																
	It is applicable to all products except IRS, as the latter are only reported at trade level and will be available in field #2.4_ of the harmonised CCPTRADESEMIR file.																
Valuation timestamp	Date and time of the last mark-to-market valuation to be provided by BME CLEARING. This field shall be composed by the Session Date + "23:59:00" UTC as time component and shall be available in field 2_23_ of the harmonised file CCPVALUATIONEMIR.																
Collateral timestamp	Date and time from which the collateral valuation to be provided by BME CLEARING are communicated. This field shall be composed by the session date + "23:59:00" UTC and shall be available in field 3_7_ of the harmonised file CCPCOLLATERALEMIR.																
Direction of Leg 1/2	It shall be reported with four characters, 'SLLR' (Seller) or 'BYER' (Buyer) for all products. Additionally, those products that are composed of 2 'legs', shall also be reported with the values 'MAKE' in the case of the payer or 'TAKE' in the case of the receiver. For more information on this field, please refer to the <i>Technical Specifications EMIR Refit.xlsx</i> file.																
Post Trade Risk Reduction (PTRR ID)	Only applicable to IRS. The PTRR ID shall be reported when the event type is 'COMP' and the PTRR technique type is compression with an external service provider or rebalancing. This field shall be available in field 2_5_ of the harmonised CCPTRADESEMIR file. It shall be constructed from a combination of the following fields: <table><tr><th>Number of characters</th><th>Components</th><th>Description</th><th>Example</th></tr><tr><td>20</td><td>LEI</td><td>BME CLEARING's LEI</td><td>5299009QA8BBE2O0B349</td></tr><tr><td>11</td><td>Trade ID</td><td>ID of the netted trade</td><td>00000000077</td></tr><tr><td>8</td><td>Date</td><td>Session Date when the netting occurs. Format (YYMMDD)</td><td>20160901</td></tr></table> Example: 5299009QA8BBE2O0B3490000000007720160901 These fields shall be available via clearing raw data files and harmonised files: — EoD raw data files: Fields 3.1 - <i>CCP Trade ID</i> and 3.13 - <i>Trade Date</i> of the CTRADES file. — Harmonised file CCPTRADESEMIR: Field #2_5	Number of characters	Components	Description	Example	20	LEI	BME CLEARING's LEI	5299009QA8BBE2O0B349	11	Trade ID	ID of the netted trade	00000000077	8	Date	Session Date when the netting occurs. Format (YYMMDD)	20160901
Number of characters	Components	Description	Example														
20	LEI	BME CLEARING's LEI	5299009QA8BBE2O0B349														
11	Trade ID	ID of the netted trade	00000000077														
8	Date	Session Date when the netting occurs. Format (YYMMDD)	20160901														

5. Valuation

For all products except IRS

BME CLEARING will determine the valuation at marked-to-market prices, reporting the following values in the fields of section 2.c. *Valuation*, in accordance with the technical specifications:

a. Field 2.21 – *Valuation amount*

There are 2 possible ways to obtain this field:

1. Using the harmonised file CCPPOSITIONEMIR

For each account (Field 2_14_ - *Exchange Account code*) and product (Field 2_7_ - *ISIN*), it will be the sum of the values of field 2_21_ - *Valuation amount*.

2. Using the harmonised file CCPVALUATIONEMIR

For each UTI (Field 2_1_), its valuation (field 2_21_) shall be reported daily for those contracts in which the Member has an open position.

b. Field 2.22 – *Currency*

It shall be available in field 2_22_ of the harmonised files CCPPOSITIONEMIR and CCPVALUATIONEMIR.

c. Field 2.23 – *Valuation timestamp*

Session date + 23:59:00 UTC

It shall be available in field 2_23_ of the harmonized file CCPVALUATIONEMIR.

d. Field 2.24 – *Valuation Method*

BME CLEARING will report it as CCPV (CCP's Valuation), and it will be available in field 2_24_ of the harmonized file CCPVALUATIONEMIR.

IRS

a. Field 2.21 – *Valuation amount*

The valuation shall be calculated by discounting each of its flows at present value, as indicated in Circular C-IRS-08/2023 *Valuation of IRS instruments*, or that replacing it, and shall be available in field 2_21_ of the harmonized file CCPVALUATIONEMIR.

Members may replicate it as described in a.2. above.

6. Collateral

BME CLEARING will report the following values in the fields of the *Collateral section*, in accordance with the technical specifications:

a) Field 3.7 – *Collateral timestamp*

Session date + 23:59:00 UTC

Date and time at which the collateral is reported. It shall be available in field 3_7_ - *Collateral timestamp* of the harmonized file CCPCOLLATERALEMIR.

b) Fields 3.9 – *Collateral portfolio* and 3.11 – *Collateralisation category*

Collateral posted shall be reported at portfolio level, and its value shall be = OWP2, thus indicating that the collateral is one-way posted only by the member (counterparty 2).

These data shall be available in fields 3_9_ y 3_11_ respectively of the harmonized file CCPCOLLATERALEMIR.

c) Initial margin and Variation margin posted:

BME CLEARING will report the Initial margin and Variation margin posted at portfolio level, both pre-haircut and post-haircut, which will be available in the following fields of the harmonised file CCPCOLLATERALEMIR:

- 3_12_ - Initial margin posted by the counterparty 1 (pre-haircut)
- 3_13_ - Initial margin posted by the counterparty 1 (post-haircut)
- 3_15_ - Variation margin posted by the counterparty 1 (pre-haircut)
- 3_16_ - Variation margin posted by the counterparty 1 (post-haircut)

The Variation Margin (VM) amount shall be reported as the aggregated amount since the first notification of the VM of the portfolio or transaction.

The following example is included, with the detail of the calculation.

Member AXXX opens a position for the first time on 19/04, buying 1 IBEX Future for a given portfolio (account and contract)) at a price of 9.387, keeping it until 22/04.

Reporting date	Contract	Volume	Multiplier	Trade Price	Closing price	VM settled	Aggregated VM
19/04	FIBXM3	1	1	9.387	9.463	76	76
20/04	FIBXM3	1	1		9.422	-41	35
21/04	FIBXM3	1	1		9.384	-38	-3
22/04	FIBXM3	1	1		9.386	2	-1

– **Reporting on the 19/04:**

- *VM settled = Closing Pr 19/04 – Trade Pr.*
1 contract x 1 (multiplier) x (9.463 – 9.387) = 76
- *Aggregated VM = 76*

– **Reporting on the 20/04:**

As the closing price is lower than the previous day's closing price, the value of the position is reduced.

- *VM settled = Closing Pr. 20/04 – Closing Pr. 19/04*
1 contract x 1 (multiplier) x (9.422-9.463) = - 41
- *Aggregated VM = Aggregated VM prior day + VM settled 20/04*

$$(76 + (-41)) = 35$$

or

$$\begin{aligned} \text{Aggregated VM} &= \text{Last closing Pr. (20/04)} - \text{Trade Pr.} \\ 1 \text{ contract} \times 1 (\text{multiplier}) \times (9.422 - 9.387) &= 35 \end{aligned}$$

— **Reporting on the 21/04:**

The value of the position falls again, as the closing price is lower than the previous day's closing price.

- $\text{VM settled} = \text{Closing Pr. 21/04} - \text{Closing Pr. 20/04}$
 $1 \text{ contract} \times 1 (\text{multiplier}) \times (9.384 - 9.422) = -38$
- $\text{Aggregated VM} = \text{Aggregated VM prior day} + \text{VM settled 21/04}$
 $(35 + (-38)) = -3$

or

$$\begin{aligned} \text{Aggregated VM} &= \text{Last closing Pr. (21/04)} - \text{Trade Pr.} \\ 1 \text{ contract} \times 1 (\text{multiplier}) \times (9.384 - 9.387) &= -3 \end{aligned}$$

— **Reporting on the 22/04:**

The value of the position increases, as the closing price is higher than the previous day's closing price.

- $\text{VM settled} = \text{Closing Pr. 22/04} - \text{Closing Pr. 21/04}$
 $1 \text{ contract} \times 1 (\text{multiplier}) \times (9.386 - 9.384) = 2$
- $\text{Aggregated VM} = \text{Aggregated VM prior day} + \text{VM settled 22/04}$
 $((-3) + 2) = -1$

or

$$\begin{aligned} \text{Aggregated VM} &= \text{Last closing Pr. (22/04)} - \text{Trade Pr.} \\ 1 \text{ contract} \times 1 (\text{multiplier}) \times (9.386 - 9.387) &= -1 \end{aligned}$$

7. Reporting at trade and position levels

The following details how the different Trade types and their corresponding Action Types and Event Types shall be reported.

Trade Type / Segment		Segments			Additional Condition Applicable	At Trade Level		At Position Level	
		Financial Derivatives	Energy	IRS		ACTION TYPE	EVENT TYPE	ACTION TYPE	EVENT TYPE
"D"	Breakdown of daily account / Internal Allocation	•	•			POSC	NOT MANDATORY	NEWT or MODI or TERM or	INCP
"H"	Cross trade	•	•			POSC	NOT MANDATORY		
"M"	Market trade	•				POSC	NOT MANDATORY		
"S"	R Trade Break-up (MEFF)	•				POSC	NOT MANDATORY		
"S"	Volume auctions for power		•			POSC	NOT MANDATORY		
"W"	Trade modification	•	•			POSC	NOT MANDATORY		
"3"	Request For Quote (RFQ) trade	•	•			POSC	NOT MANDATORY		
"4"	RFQ xRolling Stocks	•				POSC	NOT MANDATORY		
"6"	RFQ auction XRolling Stocks	•				POSC	NOT MANDATORY		
"8"	Amendment RFQ xRolling Stocks	•				POSC	NOT MANDATORY		
"9"	Amendment RFQ auction XRolling Stocks	•				POSC	NOT MANDATORY		
"J"	Average price trade	•				POSC	NOT MANDATORY		
"N"	Reinstated Average price trade	•				POSC	NOT MANDATORY		
"5"	Position Adjustment xRolling Stocks	•				POSC	NOT MANDATORY		
"7"	Position Transfer xRolling Stocks	•				POSC	NOT MANDATORY		
"P"	Position adjustment	•	•			N/A	N/A		

Trade Type / Segment		Segments			Additional Condition Applicable	At Trade Level		At Position Level	
		Financial Derivatives	Energy	IRS		ACTION TYPE	EVENT TYPE	ACTION TYPE	EVENT TYPE
"G"	Give-up trade / External Allocation	•	•		If Execution Date = Session Date	POSC	NOT MANDATORY		
"T"	Trade transfer	•	•	•					
"G"	Give-up trade / External Allocation	•	•		If Execution Date < Session Date	N/A	N/A		NOVA
"T"	Trade transfer	•	•	•		N/A	N/A		
"E"	Option exercise	•				N/A	N/A		EXER
"C"	Adjustment for corporate actions	•				N/A	N/A		CORP
"Z"	Cascading Trade		•			N/A	N/A		TRAD
"Z"	Position transfer	•	•	•		N/A	N/A		NOVA
"B"	Backloading			•		NEWT or MODI or TERM or	CLRG	N/A	N/A
"F"	Auction			•			NOVA	N/A	N/A
"N"	Netting			•			COMP	N/A	N/A
"H"	Cross trade			•			CLRG	N/A	N/A
"Z"	Close out trade due to default			•			NOVA	N/A	N/A
"O"	Closeout of Average price trade	•				N/A	N/A	N/A	N/A
"X"	Cancellation of trade	•	•			N/A	N/A	N/A	N/A
"Q"	Erosion		•			N/A	N/A	N/A	N/A
"R"	Deferral adjustment trade	•				N/A	N/A	N/A	N/A
"V"	Expiration of contract	•	•	•		N/A	N/A	N/A	N/A

8. Harmonised files

Under the EACH group, it has been agreed to maintain the distribution of the harmonised CCPPOSITIONEMIR file currently provided for EMIR reporting. Its structure is maintained, but the following modifications are added:

- 7 new fields are included, and
- the header fields names are adapted in accordance with EMIR Refit.

In addition, BME CLEARING has decided to generate 3 new harmonised files to be distributed to Clearing Members:

- (i) CCPTRADESEMIR, at transaction level.
- (ii) CCPVALUATIONEMIR, with the valuation data, and
- (iii) CCPCOLLATERALEMIR, with the collateral data.

The information shown in all these files always reflects what the CCP has reported.

Some important considerations are:

- Its format shall be .csv
- A single file will be generated for each Clearing Member code, regardless of the segments to which it belongs.
If a Clearing Member has different member codes in each of the segments to which it belongs, it will receive as many files as it has codes.
- The file names shall be composed of:

File name_EEE_00X_zzzz_MMMMCC_YYYYMMDD_vvv.csv

Where:

- File name
Possible values are CCPTRADESMIR, CCPPOSITIONEMIR, CCPVALUATIONEMIR or CCPCOLLATERALEMIR.
- EEE = Environment code
PRD for production
SIM for testing environment
- 00X = Current version of the file.
For the CCPPOSITIONEMIR harmonised file, it will start with 003 according to the agreement reached in the EACH group. In case of futures releases, this number will be consecutive and always agreed with the other CCPs.
For the rest of the harmonised files, it will start with 001. For future versions this number will be consecutive.
- zzzz = BME CLEARING's MIC code, **BMCL**.

- MMMM = Member code. If it has different codes depending on the segment to which it belongs, the member code will prevail according to the following order: 1st, the member code of C2: Financial Derivatives; 2nd, that of C9: Swaps; 3rd, that of C7: Energy Segment; 4th, that of CD: FX and lastly, that of CC: Digital Assets Derivatives.

i.e.: Suppose a member that belongs to the IRS segment, with code I999, and to the Energy Segment, with code A999. According to the established order, MMMM = I999

- CC = CCP Code, **CM**.
- AAAAMMDD = File date.
- vv = File version number, starting at **001**

The time of generation is the same as at present 04:30 am on T+1, where T is the session date. In case of errors or omissions in any data in the report, these shall be reported, but using the symbol ? as a mask. The errors or omissions of data reported in the version vv=001, will be corrected in a second sending of the file from 09:00 hours on T+1, once the response from the Repository to which BME CLEARING reports its positions has been received, with vv taking the value 002.

9. Backloading

BME CLEARING will conduct the backloading in phases and per product, which will be communicated by means of a Notice.

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