# RMM Requirements

## Summary of responses to the 2014 Public Consultation

# Hierarchy of REMIT rules

**1st level**

REMIT

**2nd level**

REMIT Implementing Acts (IAs)
on the basis of Article 8 of REMIT

**3rd level**

Requirements for the registration of RRMs
(Trade and Fundamental data)

Technical specifications for RRMs

Transaction Reporting User Manual
(TRUM)

Manual of Procedures on Fundamental
Data Reporting

## Technical and organisational requirements and responsibility for reporting data

*1) In order to ensure efficient, effective and safe exchange and handling of information the Agency shall after consulting reporting parties develop technical and organisational requirements for submitting data.*

*The requirements shall foresee mechanisms:*
*a)to ensure the security, confidentiality and completeness of information,*
*b)to identify and correct errors in data reports,*
*c)to authenticate the source of information,*
*d)to ensure business continuity.*

*2) The Agency shall assess whether reporting parties comply with the requirements. Reporting parties who comply with the requirements shall be registered by the Agency. Entities listed under the first subparagraph of Article 6(5) shall not be subject to requirements under this Article.*

*3) Persons required to report data referred in Articles 6, 8 and 9 shall have responsibility for the completeness, accuracy and timely submission of data to the Agency and, where required so, to national regulatory authorities.*

*By way of derogation from that responsibility, where a person referred in the first subparagraph reports those data through a third party the person shall not be responsible for failures in the completeness, accuracy or timely submission of the data which are attributable to the third party. In those cases the third party shall be responsible for those failures.*

*Persons referred in the first subparagraph shall nevertheless take reasonable steps to verify the completeness, accuracy and timeliness of the data which they submit through third parties.*

Any entity reporting trade and / or fundamental data to ACER:

o     Market participants
o     Organised market places
o     Third parties reporting on behalf of the above entities
o     Trade repositories           ⎤   simplified registration
o     Approved reporting mechanisms ⎦   process?
o     ENTSOs
o     TSOs
o     LSOs
o     SSOs

However, Article 6(10) draft Implementing Acts:
*In relation to the reporting of information referred to in this article, the Agency shall, after consulting the reporting parties concerned, define electronic formats for the submission of information [...]*

# Overview of registration process

**IDENTIFICATION**
- MPs - CEREMP
- Others – online identification form (similar to Sec. 1 &2 of MPs form)
- ACER verifies identity and issues credentials

**TECHNICAL SPECS**
- Login with ACER's credentials
- Online signature of NDA
- Download technical specs

**ATTESTATION**
- Attestation of fulfilment of requirements on security and timely transmission, input validation, output content, format & validation, governance, operational reliability
- Undertaking to comply with other requirements

**TESTING**
- Reporting of data using test environment
- Successful reporting of a certain % of transactions per data type

**REGISTRATION**
- Credentials for access to production environment issued
- Registration process completed
- Reporting of data to production environment

o   Internal policies, processes, mechanisms proving compliance with the requirements must be documented

o   ACER can request information at any stage

o   ACER can consult NRAs / other authorities

o   ACER may request annual report OR renewal of registration – certified by external auditor based on ACER's audit plan

o   ACER may discontinue access to ARIS after warning RRM – associated MPs informed

- 2013 Consultation on RRM / RIS guidelines

- Roundtables with 3rd party RRMs and MPs (May 2014)

- Roundtables with OMPs and 3rd party RRMs (July 2014)

- Informal discussions with ENTSOs and TSOs (June- July 2014)

- PC on RRM requirements (July – August 2014) – 27 responses received

# Summary of feedback received in the 2014 public consultation

- Divergent opinions: some agree that post-trade events shall be reported by TMS and TRS. Others argue that the information may not always be available to TMS and TRS

- Replies relevant to TRUM- will be evaluated in that framework

- Most respondents against applying ARIS standards and electronic formats to TRs and ARMs, if they only report EMIR data. Application of ARIS standards and format would increase costs for MPs.

- Most respondents in favour of simplified registration process.

- In general: requirements appropriate but greater level of detail needed / technical specifications to be made publicly available asap

- Need to clarify if 'reporting delegation chain' possible (counterparty A delegates reporting to counterparty B which delegated reporting of A and B to a third-party RRM). In this case, should A indicate the third-party RRM of B as its RRM?

- Need to clarify if MPs can register with multiple RRMs.

- Several respondents in favour of lighter requirements for MP RRMs (reporting own transactions and / or counterparty's transactions and / or group transactions)
  - Only technical requirements should apply to MP RRMs, while organizational should not apply.
  - Self-reporting RRMs should only go through the testing phase of the registration process.
  - No compliance report / no audited report.
- Requirements should not apply to entities reporting data on request (Article 4 IAs) – this should be explicitly stated in the RRM requirements document

- Lighter requirements for the reporting of data that are already in the public domain

- Lighter requirements for SSOs and LSOs as they only have to report information concerning the capacity and use of their facilities.

- Lighter requirements for self-reporting entities reporting non-standard contracts / different requirements depending on the type of contract, rather than on the reporting entity: non-standard contracts should be reported by using a lighter procedure.

- Requirements disproportionate for TSOs – regulated companies

- Exchanges and existing TRs, TMS, TRS: requirements should be the same for all reporting entities.

- Requirements on secure and timely transmission of data too costly for MPs who wish to become RRMs

- Validation of input: third-party RRMs do not have the means to identify omissions and obvious errors

- Disruption: 5 days too short to produce disruption report. Need to add requirement that RRM shall inform MPs in case of disruption or breach

- One additional requirement needed: RRMs should be responsible for troubleshooting and solving the first validation issues or any other issue within their control following an error message from ACER

- TSOs who act on behalf of MPs should be compensated accordingly

- Several respondents : ACER should provide MPs with the possibility to have access to all / samples of data reported by third-party RRMs

- Access should be granted by applying same IT and security measures as used for data reporting. Careful consideration to confidential nature of the information

- Some respondents: access only through RRMs

- TRs and ARMs: in favor of lighter registration process. ESMA registration should be carried over or at least substantially satisfy registration process.

- Use of CEREMP: most respondents in favor of using CEREMP for MP registration. However:
  - flexibility needed to allow MPs to change their status
  - need to ensure that registration at national level is open before deadline prescribed by REMIT (this is not the case for all NRAs)
  - Other comments: ACER's technical support crucial to smooth registration process

- Some respondents: all documents showing evidence of compliance with requirements should be provided at the stage of registration.

- Timing:
  - most respondents argued that envisaged timeframe (3 months) is too short (six to nine months needed based on EMIR's experience)
  - some argued that three months is too long: not enough time for RMM to implement IT system and conclude DRAs before reporting obligation starts.
  - reporting obligation should kick-off only once RRMs have been registered (same as under EMIR)
  - need to define more clearly and in detail steps of registration process. How will ACR give feedback to applicants? Timeframe?
- Testing:
  - different RRMs may be ready at different times - they should be given more chances to test
  - possibility for applicants to apply more than once
  - More details on testing - threshold for testing should be defined in advance

- Evidence of compliance with the requirements:
  - all documents showing evidence of compliance with requirements should be provided at the stage of registration
  - to be clarified whether ACER will assess the content of the documents and what will be the consequence for RRMs if ACER considers that the requirements are not met.
- Procedure leading to potential deregistration of RRMs:
  - need to define in more detail "decrease in data quality"
  - Procedure should be defined in detail - need to protect MPs
  - warnings on decrease on data quality shall be made available to MPs
  - MPs need at least six months to find another RRM (two months is too short).

- Compliance report:
  - Majority in favour
  - Some: only for third-party
  - Frequency: annual / every three years / at the request of ACER / risk-based approach
  - External audit: divergent opinions – compliance points instead of audit plan
  - Main findings should be published by ACER / made available to MPs by the RRM
- Periodic renewal of registration – vast majority of respondents are against it

- DRAs – should be offered by OMPs by default (not on request), on fair conditions, and on time for data reporting

- More clarity on roles and responsibilities of parties involved in the reporting process. ACER should provide interpretation and minimum content of data reporting agreement

- First edition of the RRM requirements will be made public upon the entry into force of the IAs

- Further bilateral consultation with relevant stakeholders

- Public workshop in October/November depending on the timing of the adoption of the IAs

# Questions?

# Thank you for your attention!



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