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Simplification of financial transaction reporting - EFSA's core principles for an ambitious phased approach

The European Forum of Securities Association (EFSA) fully supports the European Commission's simplification agenda which notably aims at increasing the competitiveness of the EU market actors and the attractiveness of EU capital markets. In this context, we welcome ESMA's initiative to simplify financial transaction reporting in the Union as per its recent call for evidence. We believe this is a unique opportunity to be ambitious in reshaping the EU reporting framework to design simpler, more effective and future-proof reporting regime.

In this context, given the necessity to move quickly on such a structuring topic, our aim in this paper is to provide with key principles for an ambitious phased approach in response to the Call for Evidence launched by ESMA in June 2025.

I. The detrimental impact of the current EU framework applicable to transaction reporting

Over time, successive layers of regulations (MiFIR, EMIR, SFTR) have created a reporting framework that is fragmented, duplicative and increasingly difficult to manage. While each reform pursued legitimate objectives, their cumulative effect has been to generate overlaps and silos, leading to a gradual loss of overall coherence. The complexity and redundancies of the current framework impose high costs on firms, discourage smaller players from participating, and make EU markets less attractive compared to jurisdictions with simpler rules. As a result, this weakens the competitiveness of EU market actors and calls for fundamental improvements.

EFSA is committed to supporting such reform and believes it should be pursued through a phased approach that would include immediate reforms and medium to long term ones. The five to seven years envisaged by ESMA to reform the current framework appear far too distant, disconnected from the heavy regulatory burden faced daily by EU market actors and inadequate given the European Commission's ambition to simplify the EU regulatory framework.

II. Towards an ambitious phased approach to simplify the EU reporting framework

Our long-term objective is the establishment of a more coherent, simplified and future-proof reporting framework. In this perspective, a unified "report once" model would help address current fragmentation across EMIR, MiFIR and SFTR and reduce costs by allowing firms to submit a single set of data through one reporting channel. National competent authorities and other relevant bodies

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would then access the information they require in line with their respective mandates.

Such an approach could also streamline controls and data-quality checks, which today often differ across NCAs and create unnecessary burden for firms. **Exploring the possibility of consolidating the current reporting chains into a single file with one set of eligibility rules, instead of three parallel reporting chains, could help eliminate duplications and lower maintenance costs for firms on the longer term.** We therefore consider the “report once” model as a strong long-term option.

However, given the complexity of existing reporting infrastructure, the presence of legacy systems and the concerns expressed by the industry about the costs and operational challenges of transitioning to a report-once setup, **EFSA considers that such a model must be carefully assessed, with a strong focus on proportionality, feasibility and cost-efficiency.**

This work should be carried out by a dedicated EU Task Force, similar to the one established for the EU T+1 project, bringing regulators and industry experts together to examine the issues in depth and support a collective evaluation of the most appropriate approach and transitioning for all parties.

This Task Force should be established as soon as possible, and its mandate should be assessing whether a report-once model should be implemented. This assessment should also consider how a centralised receiving mechanism, potentially through ESMA’s Data Hub (SHARE) **or another appropriate EU-level structure**, could support the implementation of a report-once model, **should the Task Force ultimately demonstrate that such a model is both feasible and desirable.**

As a short-term objective, it is also essential to provide immediate reliefs:

- The scope of data collected under EMIR, MiFIR and SFTR should first be reassessed against the objectives of each regulation, ensuring supervisors receive only what they need.
- In parallel, several “quick wins” should be implemented rapidly such as, but not limited to:
 - o Exclude ETDs from EMIR reporting;
 - o Exclude SFTs with central banks from MiFIR reporting;
 - o Introduce single-sided reporting under EMIR and SFTR which will deliver concrete and significant benefits by removing the pairing and matching burden. Further analysis may help determine how this approach could be implemented in a way that remains consistent with supervisory practices. A phased reduction of reconciliation fields could provide a practical first step.

During this transition, the introduction of new or additional reporting obligations should be suspended to avoid unnecessary complexity and costs,¹ while the overall framework is under review and likely to be revised. Such regulatory pause would avoid diverting resources into interim updates that eventually might have to be removed.

¹ For example, this would apply to the forthcoming EMIR Article 7d which will introduce an annual reporting requirement for clearing members and clients using third-country CCPs recognised under Article 25. As this provision is not yet in force, pending the adoption of RTS and ITS by December 2025.