



PRESS RELEASE 16/43

COMMUNICATION REGARDING ARTICLE 26 (OBLIGATION TO REPORT TRANSACTIONS) OF MIFIR

Article 26 of Regulation No 600/2014 on markets in financial instruments (hereafter, "MiFIR") contains the obligation for credit institutions and investment firms which execute transactions in financial instruments to report complete and accurate details of such transactions to the competent authority. As required by Article 26(9) of MiFIR, ESMA developed the draft regulatory technical standards for the reporting of transactions to competent authorities (hereafter, "RTS 22"). Further guidance in relation to transaction reporting is provided by [ESMA's Guidelines on transaction reporting, order record keeping and clock synchronisation under MiFID II](#) (hereafter, the "Guidelines"), [ESMA's Technical reporting instructions on the MiFIR transaction reporting](#) and their annexes ([Data validation rules](#), [Message schemas](#)) (hereafter, the "Technical reporting instructions").

Please note that as RTS 22 has not yet been published in the Official Journal, the Guidelines and the Technical reporting instructions are without prejudice to a possible modification to RTS 22.¹

In the context of the obligation to report transactions as foreseen by Article 26 of MiFIR, the CSSF would like to provide some additional information.

1. Adherence to the Guidelines and the Technical reporting instructions

Once the final RTS 22 will have been published, ESMA will, if necessary, adapt the Guidelines and translate those in all relevant languages. The CSSF will implement the Guidelines through the publication of a circular.

Supporting the efforts made to harmonise the transaction reporting formats across Europe, the CSSF's reporting system will be based on the Technical reporting instructions.

2. File transport

The method of transmission of transaction reports will remain unchanged. As such, the current system, based on transmission channels offered by external service providers and used for the current transaction reporting regime under Directive 2004/39/EC on markets in financial instruments (hereafter, "MiFID I"), will remain in place.

3. Transition period

MiFIR will enter into force on 3 January 2018, meaning that the new transaction reporting regime will also be applicable from that date onwards. In order to ensure a smooth transition from the MiFID I regime to the new MiFID II/MiFIR regime, the CSSF will operate both the new and the old transaction reporting systems in parallel until 31 January 2018. In this context, it must be noted that the old system will reject any transaction report referring to a trading date after 2 January 2018, since the parallel run is only intended to allow for late declarations and error corrections of transactions executed prior to the entry into force of MiFIR.

After 31 January 2018, the MiFID I transaction reporting system will be switched off, meaning that only the MiFID II/MiFIR system will continue to operate.

¹ Please note that at the time of publication, the most recent version of RTS 22 is the one adopted by the European Commission on 28 July 2016, and the most recent version of the Guidelines is the document published on 10 October 2016 under the reference ESMA/2016/1452.

4. Transaction reporting by branches

In accordance with the standard procedure laid down in Article 14 of the latest version of RTS 22, credit institutions and investment firms incorporated under Luxembourg law shall report to the CSSF all the transactions executed wholly or partly through their branches established in other Member States. The CSSF will transmit such transaction reports, via the transaction reporting exchange mechanism ("TREM"), to the competent authorities of the Member States where the involved branches are established. The CSSF would like to clarify that it does not intend to derogate from the aforementioned standard procedure.

5. Further details

Please note that for all further details that require national coordination, the CSSF will provide further guidance as soon as possible.

Luxembourg, 13 December 2016