

UK's FCA Updates Derivatives Reporting Q&A

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The UK's Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) have published [updated Q&A](#) covering changes to the UK European Market Infrastructure Regulation (UK EMIR) reporting requirements that go live on 30 September 2024. Topics covered include:

1. *Transitional arrangements*: From 30 September, all newly entered or modified derivative trades at both trade and position level must comply with the new requirements, but for derivative trades entered into before that date, there is a 6-month transition period for reporting entities to make the necessary updates;
2. *Reconciliations*: This Q&A deals with reconciliations by Trade Repositories (TR) and reporting counterparties and discusses frequency, remediation of reconciliation breaks and two-leg trades, among other topics;
3. *Errors and omissions*: The process for counterparties to approach errors and omissions is given here, including expectations for arrangements that should be in place to identify these;
4. *Derivative identifiers*: Answers here discuss new requirements for the use of Unique Product Identifiers and updated requirements for Unique Transaction Identifiers and Legal Entity Identifiers. Note that the PRA is clear that, despite the updates to UTI requirements, there should be no changes to UTIs for outstanding trades and positions;
5. *Actions and events*: The new requirements introduce a new action type called 'Revive' which can be used when a derivative is being re-opened at trade or position level, e.g. from a terminated or errored state;
6. *Venues*: Guidance here discusses how to accurately report the venue where a derivative was executed. Note that it remains the case that derivatives executed on a third country organised trading platform should be reported as OTC unless that trading platform is considered as equivalent to a UK Regulated Market (in which case the derivative should be reported as exchange traded);
7. *Exchange traded derivatives*: These Q&As give guidance on accurate reporting of exchange traded derivatives;
8. *Margin and collateral*: New features include the separation of data on margin and collateral into a new table which now includes fields for post-haircut margin values;
9. *Clearing*: These Q&As give guidance on populating the Clearing Obligation, Cleared and Clearing Member fields of the report;
10. *Position level reporting*: Guidance here discusses how counterparties may report many outstanding derivatives together as a position, subject to certain conditions;
11. *Asset class and product specific*: Topics here include package transactions which comprise transactions not subject to UK EMIR reporting obligations, FX non-deliverable forwards, reporting on derivatives based on cryptoassets and commodity swaps.