Chapter 2

Procedures for ensuring data quality

2

2.3 Reconciliation of data by trade repositories

2.3.1   R   A trade repository shall seek to reconcile a reported derivative by undertaking the steps set out in ■ EMIRR 2.3.3R, provided that all of the following conditions are met:

> (1) the trade repository has completed the verifications set out in ■ EMIRR 2.1.1R and ■ EMIRR 2.1.2R;

> (2) both counterparties to the reported derivative have a reporting obligation; and

> (3) the trade repository has not received a report with the action type 'Error' in respect of the reported derivative, unless it has been followed by a report with action type 'Revive'.

2.3.2   R   A trade repository shall have arrangements in place to ensure the confidentiality of the data exchanged with other trade repositories and when providing information to reporting counterparties, report submitting entities, entities responsible for reporting as well as third parties which have been granted access to information under Article 78(7) of Regulation (EU) No 648/2012 about the values for all the fields that are subject to reconciliation.

2.3.3   R   Where all the conditions of ■ EMIRR 2.3.1R are met, a trade repository shall undertake the following steps, while using the latest reported value for each of the fields in Tables 1 and 2 of the Annex to the EMIR Technical Standards on the Standards, Formats, Frequency and Methods and Arrangements for Reporting 2023 as of the previous working day:

> (1) a trade repository that has received a derivative report shall verify whether it has received a corresponding report from or on behalf of the other counterparty;

> (2) a trade repository that has not received a corresponding derivative report, as referred to in ■ EMIRR 2.3.3(1), shall attempt to identify the trade repository that has received the corresponding derivative report by communicating to all registered trade repositories the values of the following fields of the reported derivative: 'Unique Transaction Identifier', 'Counterparty 1' and 'Counterparty 2';

> (3) a trade repository that determines that another trade repository has received a corresponding derivative report, as referred to in ■ EMIRR 2.3.3 (1), shall exchange with that trade repository the details

of the reported derivative in an XML format and a template developed in accordance with the ISO 20022 methodology;

(4) a trade repository shall treat a reported derivative as reconciled where the details of the derivative subject to reconciliation substantially match the details of the corresponding derivative, as referred to in ■ EMIRR 2.3.3(1);

(5) a trade repository shall subsequently assign values for the reconciliation categories for each reported derivatives transaction, as set out in the table in ■ EMIRR 2.3.3AR;

(6) a trade repository shall conclude the steps in ■ EMIRR 2.3.3 (1) to ■ (5) at the earliest opportunity and shall take no such steps after midnight Coordinated Universal Time on a given working day; and

(7) a trade repository that cannot reconcile a reported derivative shall seek to match the details of that reported derivative on the following working day. The trade repository shall no longer seek to reconcile the reported derivative 30 calendar days after the derivative is not outstanding.

2.3.3A R Trade repositories shall use the following table for the purposes of ■ EMIRR 2.3.3R(5).

Table of Values for Reconciliation categories

Reconciliation categories	Allowable values
Reporting requirement for both counterparties	Yes/No
Reporting type	Single-sided/dual-sided
Pairing	Paired/unpaired
Reconciliation	Reconciled/not reconciled
Valuation reconciliation	Reconciled/not reconciled
Revived	Yes/No
Further modifications:	Yes/No

2.3.4 R A trade repository shall confirm the total number of paired and reconciled derivatives with each trade repository with which it has reconciled derivatives at the end of each working day. A trade repository shall put in place written procedures for ensuring the resolution of all discrepancies identified in this process.

2.3.5 R No later than 60 minutes after the conclusion of the reconciliation process as set out in ■ EMIRR 2.3.3R(6), a trade repository shall provide the report submitting entities, with the results of the reconciliation process performed by it on the reported derivatives. A trade repository shall provide the results in an XML format and a template developed in accordance with the ISO 20022 methodology, including information on the fields that have not been reconciled.