

FINANS
DANMARK

TAXUD

Nordic comments on "Way to report"

The Nordic finance sector in Denmark, Finland and Sweden would like to thank you for the opportunity to comment on the FASTER "Way to report".

23 February 2026

To start, we wish to once again respectfully highlight that the two-week consultation period allocated for the proposal regarding the reporting model is insufficient.

General comments

As an introductory remark, we would like to express our appreciation for the thorough descriptions, which aim to support understanding and a focused dialogue on the topic. Reducing complexity and divergence is key to the success of FASTER, and we fully support the intent of the document shared for commenting. We further agree that structuring of the reporting in a similar manner for both direct and indirect reporting is the right approach.

Specific comments

1. Reporting chain linked to a single corporate action event

The framework defines a securities payment chain as a unique combination of CSD, ISIN and COAF, linked to a specific corporate action event. While this provides structural clarity, practical challenges will arise where corrections or market claims occur as well as when the taxation is conditional upon additional dates than holding on record date. Clarification is required on whether such adjustments should be reported as amendments to the original chain or as new or supplementing reports, and how market claims should be included in the reporting.

2. Technology neutral

Given the proposed changes in connection with MIPS regarding DLT it would be recommended that the reporting set-up is made technology neutral. It should therefore be possible also to report on income related to securities issued on a DLT rather than a CSD.

3. Indirect reporting model

The indirect reporting model requires consolidated reporting of the securities payment chain on a "bottom-up" basis, including identification of intermediaries

through the position element. This appears to require the reporting CFI to determine, identify and report the intermediaries forming the securities payment chain between the issuer and the registered owner concerned. Clarification is required regarding the documentation standards supporting this obligation and conditions under which reporting CFI may rely on information received from other intermediaries for purposes of identifying the chain.

Without clearly a defined documentation and reliance framework, the indirect reporting model may create legal uncertainty and disproportionate responsibility for reporting CFIs.

4. Reporting on behalf of non-CFI

In both a direct and an indirect reporting model, a CFI may assume responsibility for reporting of information on behalf of a non-CFI, due to individual agreement with the non-CFI. This scenario is comparable to (a) the QI to non-QI relation in the US and (b) the AI to CI relation in Finnish Trace. Experience from these models may benefit FASTER in relation to non-CFI scenarios.

It is important that any reporting on behalf of a non-CFI is done on a voluntary basis, and that the individual CFI may choose their service level towards a non-CFI based on their own risk and business considerations. As the non-CFI is not bound by the same obligations and liabilities as a CFI, a non-CFI intermediary will represent an increased risk to the CFI.

If a CFI chooses not to provide service to a non-CFI, it will result in a reporting-gap, attributable to the non-CFI. The reporting model should be designed to accommodate such gaps and actively relate to the consequences of investors beneath a non-CFI in the payment chain. Can such investors obtain fast relief (RAS or Quick Refund) or are they referred to a standard reclaim process?

5. Introduce CFI numbers

In both direct and indirect reporting contexts, it would be beneficial to identify each CFI by a unique identifier (CFI number) assigned to it. Referencing this number in the reporting, both towards upstream and downstream CFIs as applicable, would tie the string of CFI's effectively together and ease the reconciliation of information.

The CFI code might be administered in either of the following ways:

- A. The CFI number could apply to more member states, as specified in a continuously updated overview in the EU FASTER Portal. The first member state to approve a financial institution as a CFI could issue and register the CFI number, whereas subsequent approvals only require an update of the CFI scope in the CFI-number register.



- B. The CFI number could apply to a single member state. This would require for the same financial institution to operate under different CFI-numbers. This is perceived as a less attractive model. It is still suggested to register the approved CFIs, including their CFI-numbers on the EU FASTER Portal.

By maintaining a CFI number register in the EU FASTER Portal it allows for CFIs in the payment chain to control another financial institution's CFI status.

The CFI closest to the registered owner would - by default - be responsible for the registered owner information. Where there is a non-CFI in a payment chain, a CFI may actively take on the reporting responsibility due to agreement with the non-CFI, but it is not required to do so (discussion above). Whether such responsibility is transferred or not, it will be important to identify a non-CFI unambiguously, to understand the payment flow and reflect the sustainability of the payment chain. A specific number (LEI or other) used for the non-CFI identification in the reporting would also simplify the reporting and reduce uncertainty.

6. Definition of registered owner

Special care should be taken to establish a clear definition of registered owner to be used in connection with the proposed reporting. Especially for scenarios where the registered owner is not envisaged as the tax subject it is important with a clear definition on the reporting subject.

7. Layers of reporting

Whereas financial intermediaries, either in the form of a CFI or a non-CFI represent a relevant level in the reporting, there may be further levels, when the registered owner (please also refer to the discussion under 7) is a tax transparent entity.

There are numerous tax transparent scenarios, and they must be actively addressed to ensure the reporting model reflects these in a manner, which allows disclosure of the information required by tax authorities in the member states.

Disclosure of the registered owner requires an addition of underlying investors and potentially a pro-rata model which reflects entitlement.

8. Use codes to cater for complexity

Codes are often used to address complexity in a structured manner. As an example, you may refer to the US QI reporting.



Instead of introducing multiple reporting elements, the diversity could be addressed by use of clearly defined and explained codes. The codes could distinguish between:

- CFI/Non-CFI scenarios
- Registered owner scenarios
 - Tax subject
 - Confirmed BO
 - Tax transparent owner – potentially more types
 - Etc.
- Investor type
 - Private individual
 - Legal entity
 - Financial institution
 - Etc.
- Documentation type
 - E-TRC
 - Other (approved) Tax Certificate (foreign investors)
 - Registered owner declaration
 - BO declaration
 - Etc
- Financial arrangement
 - Type
 - Etc

9. Reporting timeline

Where is it stipulated how often and when reporting shall be done? With reporting on regular basis throughout the calendar, when and how is it possible to make adjustments/corrections of what has been reported earlier in the year?

10. Reporting via the EU FASTER Portal

As it is a prioritized scope is to ease the reporting, we would like to revisit a previous comment where we suggest filing the reporting to all member states via the EU FASTER Portal.

Especially where a direct reporting model is applied, a joint reporting solution via the same portal is recommended. This approach reduces complexity and makes it easier for foreign banks to engage as a CFI in member states with which they otherwise have little or no direct interaction. A single reporting portal will further support harmonisation and prevent divergence of both the direct and the indirect reporting solutions over time.



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