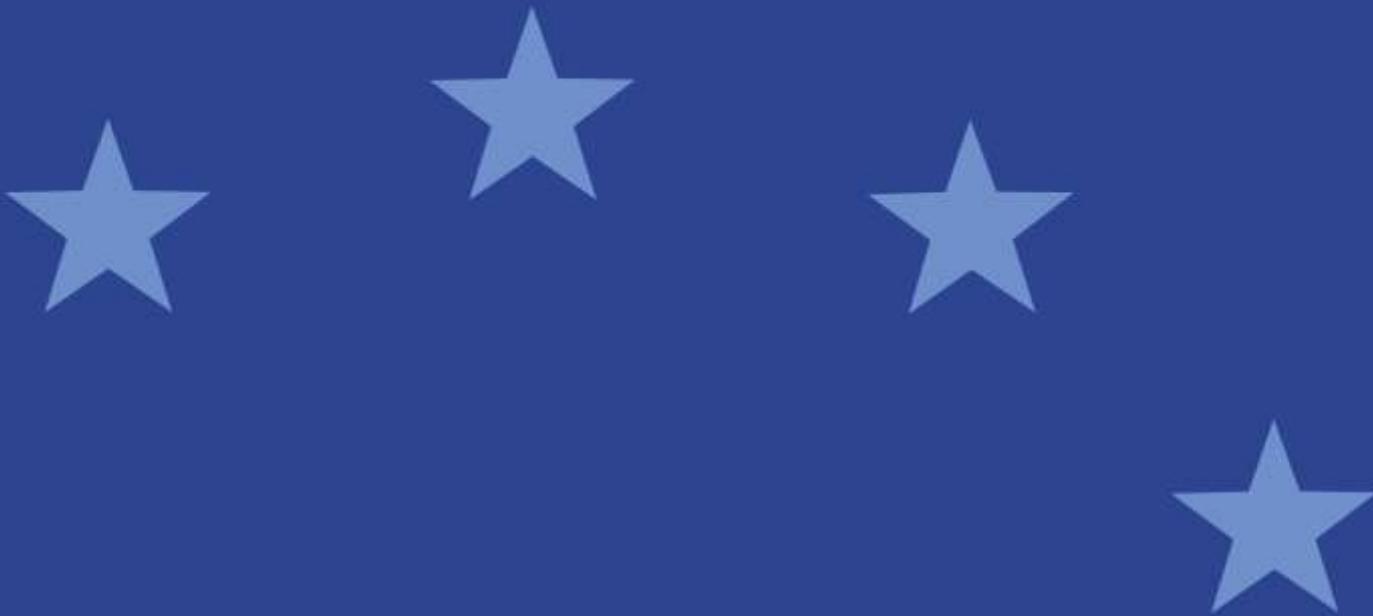




European Securities and
Markets Authority

Consultation paper

Guidelines for reporting under Articles 4 and 12 SFTR





Responding to this paper

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex 1. Comments are most helpful if they:

- Respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all comments received by 29 July 2019.

All contributions should be submitted online at www.esma.europa.eu under the heading 'Your input - Consultations'.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading [Legal Notice](#).

Who should read this paper

All interested stakeholders are invited to respond to this consultation. In particular, responses are sought from financial and non-financial counterparties to securities financing transactions, tri-party agents, agent lenders, central counterparties (CCPs) and trade repositories (TRs), as well as from all the authorities having access to the TR data.



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1 Legislative references, abbreviations and definitions

Legislative references

<i>AIFMD</i>	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (AIFMs)
<i>ITS on reporting</i>	Commission Implementing Regulation (EU) 2019/363 of 13 December 2018 laying down implementing technical standards with regard to the format and frequency of reports on the details of securities financing transactions (SFTs) to trade repositories in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council and amending Commission Implementing Regulation (EU) No 1247/2012 with regard to the use of reporting codes in the reporting of derivative contracts
<i>EMIR</i>	European Market Infrastructures Regulation – Regulation (EU) 648/2012 of the European Parliament and Council on OTC derivatives, central counterparties and trade repositories
<i>MAR</i>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation).
<i>MiFIR</i>	Regulation (EU) No 600/2014 of the European Parliament and of the Council on markets in financial instruments and amending Regulation (EU) No 648/2012
<i>RTS on reporting</i>	Commission Delegated Regulation (EU) 2019/356 of 13 December 2018 supplementing Regulation (EU) 2015/2365 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of securities financing transactions (SFTs) to be reported to trade repositories
<i>RTS on data access</i>	Commission Delegated Regulation (EU) 2019/357 of 13 December 2018 supplementing Regulation (EU) 2015/2365 of the European Parliament and of the Council with regard to regulatory technical standards on access to details of securities financing transactions (SFTs) held in trade repositories
<i>RTS on data verification</i>	Commission Delegated Regulation (EU) 2019/358 of 13 December 2018 supplementing Regulation (EU) 2015/2365 of the European Parliament and of the Council with regard to regulatory technical standards on the collection, verification, aggregation, comparison and publication of data on securities financing transactions (SFTs) by trade repositories



<i>SFTR</i>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 – also referred to as the regulation
<i>TS</i>	RTS on reporting (Commission Delegated Regulation (EU) 2019/356) and ITS on reporting (Commission Implementing Regulation (EU) 2019/363)
<i>UCITS</i>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)

Abbreviations

<i>BSB</i>	Buy-sell back transaction
<i>CFI code</i>	Classification of Financial Instruments code
<i>CM</i>	Clearing Member
<i>CCP</i>	Central Counterparty
<i>CP on TS</i>	Consultation paper on technical standards under SFTR and on certain amendments to technical standards under EMIR
<i>CP on Guidelines</i>	CP on Guidelines on Reporting under SFTR
<i>CSD</i>	Central Securities Depository
<i>CPMI</i>	Committee on Payments and Market Infrastructures
<i>EC</i>	European Commission
<i>ECB</i>	European Central Bank
<i>EEA</i>	European Economic Area
<i>ESCB</i>	European System of Central Banks
<i>ESMA</i>	European Securities and Markets Authority
<i>ETF</i>	Exchange-traded fund
<i>EU</i>	European Union
<i>FAQ</i>	Frequently Asked Questions
<i>FRA</i>	Forward Rate Agreement



<i>FSB</i>	Financial Stability Board
<i>GMRA</i>	Global Master Repurchase Agreement
<i>GMSLA</i>	Global Master Securities Lending Agreement
<i>ICMA</i>	International Capital Market Association
<i>iCSD</i>	Central Securities Depository
<i>IFX</i>	Interactive Financial Exchange
<i>IOSCO</i>	International Organisation of Securities Commissions
<i>ISIN</i>	International Securities Identification Number
<i>ISLA</i>	International Securities Lending Association
<i>ISO</i>	International Organization for Standardization
<i>ITS</i>	Implementing Technical Standards
<i>LEI</i>	Legal entity identifier
<i>LTV</i>	Loan-to-Value ratio
<i>MIC</i>	Market identifier code
<i>MMF</i>	Money-market fund
<i>NCA</i>	National Competent Authority
<i>OJ</i>	The Official Journal of the European Union
<i>OTC</i>	Over-the-counter
<i>Q&A</i>	Questions and Answers
<i>REIT</i>	Real Estate Investment Trust
<i>Repo</i>	Repurchase transaction
<i>RTS</i>	Regulatory Technical Standards
<i>SBB</i>	Sell-buy back transaction
<i>SDLC</i>	System Development Life Cycle
<i>SFT</i>	Securities financing transaction



<i>SLB</i>	Securities lending and borrowing
<i>SMSG</i>	Securities and Markets Stakeholder Group
<i>SWIFT</i>	Society for Worldwide Interbank Financial Telecommunication
<i>T2S</i>	<i>TARGET 2 Securities</i>
<i>TR</i>	Trade repository
<i>TREM</i>	Transaction Reporting Exchange Mechanism
<i>UTI</i>	Unique Transaction Identifier
<i>XBRL</i>	Extensible Business Reporting Language
<i>XML</i>	Extensible Mark-up Language
<i>XSD</i>	XML Schema Definition

2 Executive Summary

Reasons for publication

This Consultation Paper (CP) seeks stakeholders' views on key elements of future ESMA Guidelines on reporting under SFTR. These Guidelines will complement the SFTR technical standards and ensure the consistent implementation of the new SFTR rules. Respondents to this CP are encouraged to provide the relevant information to support their arguments or proposals.

Contents

This paper is split into different sections. Section 3 addresses the scope of the guidelines and sections 4 outlines their purpose. Section 5 refers to the general principles that apply to SFT reporting, including how the reports should be constructed in what circumstances and where the reports should be sent. It provides high-level approaches to reporting, reference to different action types to be used for reporting, further guidance on certain exclusions from the meaning of SFTs and implications for third country firms concluding SFTs via their EU branches.

Section 6 refers to the tables of fields to be reported under SFTR, explaining how the relevant fields for particular topics should be reported. This section includes accompanying examples of how the tables should be populated for the different types of SFTs. The multiple use cases illustrate how different fields should be populated. For each example in this document there is a corresponding table of relevant fields and the expected XML-text rendering.

Moreover, sections 7 and 8 detail the type of feedback that counterparties would receive from TRs and how this should be treated.

Finally, section 9 specifies particular instances related to authorities' access to data.

Next Steps

In Q3 2019 ESMA will consider the feedback it receives to this consultation. ESMA expects to publish a final report on the Guidelines on Reporting under SFTR in Q4 2019.



3 Scope

Who?

1. These guidelines apply to counterparties to SFTs as defined in Articles 3(2) SFTR, the trade repositories as defined in Article 3(1) SFTR and competent authorities.

What?

2. These guidelines apply in relation to the SFT reporting obligation as stated in Article 4 SFTR and the TR obligations under Article 12 SFTR.

When?

3. These guidelines apply from the day referred to in Article 33(2)(a)(i) SFTR, i.e. twelve months following the entry into force of the RTS on reporting.

4 Purpose

4. These Guidelines are stemming from Article 16(1) of ESMA's Regulation. These guidelines fulfil several purposes with regards to the harmonisation and standardisation of reporting under SFTR. This is key to ensure contained costs along the complete reporting chain - the counterparties that report the data, the TRs which put in place the procedures to verify the completeness and correctness of data, and the authorities, defined in Article 12(2) SFTR, which use the data to supervise risks to financial stability. The guidelines provide clarity and a harmonised implementation on the following aspects:
 - a. the number of reportable SFTs
 - b. the population of reporting fields for different types of SFTs
 - c. the approach used to link SFT collateral with SFT loans
 - d. the population of reporting fields for margin data
 - e. the population of reporting fields for reuse, reinvestment and funding sources data
 - f. the management by counterparties of feedback from TRs, namely in the case of rejection (i) of reported data and (ii) of reconciliation breaks
 - g. the provision of access to data to authorities by TRs
5. Furthermore, the guidelines also detail the rejection and reporting feedback that TRs will provide to counterparties and how the latter should deal with it.



5 General Principles

5.1 Determining the number of reportable SFTs

6. In the first subsection, we provide guidance on reporting of SFTs in general, such as types of transactions that are reportable and those that are not, as well as the way to determine the number of transactions and reports that have to be reported in the case of batch allocations between many lenders and many borrowers.
7. Article 4 of Regulation (EU) 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation 648/2012 (SFTR, hereinafter) provides that counterparties to SFTs shall report the details of any SFT they have concluded, as well as any modification or termination thereof, to a trade repository registered in accordance with Article 5 or recognized in accordance with Article 19. Those details shall be reported no later than the working day following the conclusion, modification or termination of the transaction.
8. SFTR responds to the need to enhance the transparency of securities financing markets and thus of the financial system. In order to ensure equivalent conditions of competition and international convergence, this Regulation follows the FSB Policy Framework¹. SFTR creates a Union framework under which details of SFTs can be efficiently reported to trade repositories and information on SFTs and total return swaps is disclosed to investors in collective investment undertakings. The definition of SFTs in this Regulation does not include derivative contracts as defined in Regulation (EU) No 648/2012 of the European Parliament and of the Council (EMIR hereinafter). However, it includes transactions that are commonly referred to as liquidity swaps and collateral swaps, provided that such arrangements do not fall under the definition of derivative contracts in EMIR.
9. The subsequent sections address specific characteristics of each type of SFT where securities lending and borrowing (SLB) is considered separately from SFTs involving commodities.
10. Pursuant to Article 1(1) ITS on reporting, counterparties should submit their SFT reports in a common electronic and machine-readable form and in a common XML template in accordance with the ISO 20022 methodology. To facilitate this, these Guidelines include the relevant XSD component applicable to the different use cases.

5.1.1 Market transactions that do not fall under the definition of an SFT

11. Respondents to the previous consultations, i.e. those carried out when drafting the technical standards under SFTR, requested further clarification from ESMA on several types of loans, facilities or transactions that do not fall under the definition of an SFT. Recital (7) of SFTR states that “This Regulation responds to the need to enhance the

¹ Financial Stability Board, Standards and Processes for Global Securities Financing Data Collection and Aggregation. 18 November 2015:

<http://www.fsb.org/2015/11/standards-and-processes-for-global-securities-financing-data-collection-and-aggregation-3/>

transparency of securities financing markets and thus of the financial system. In order to ensure equivalent conditions of competition and international convergence, this Regulation follows the FSB Policy Framework. It creates a Union framework under which details of SFTs can be efficiently reported to trade repositories and information on SFTs and total return swaps is disclosed to investors in collective investment undertakings.”

12. Recital (2) of Commission Delegated Regulation (EU) 2019/356 (RTS on reporting) states that ‘to ensure the efficiency and usefulness of reported information on SFTs, the specific details of the SFTs to be reported should be adapted to the different types of SFTs identified in Regulation (EU) 2015/2365. With regards to reporting margin lending transactions, the purpose of Regulation (EU) 2015/2365 is to capture transactions that serve the same purpose as repurchase transactions, buy-sell back transactions or securities lending transactions and therefore pose similar risks to financial stability by allowing the build-up of leverage, pro-cyclicality and interconnectedness in financial markets or by contributing to liquidity and maturity transformation. While margin lending therefore includes transactions subject to margin agreements between financial institutions and their clients where financial institutions provide prime brokerage services to their clients, it does not include other loans such as loans for corporate restructuring purposes which, despite the possibility of involving securities, do not contribute to the systemic risks addressed by Regulation (EU) 2015/2365.’

5.1.1.1 Retail client lending

13. One of the usual retail banking services is to extend collateralised loans to clients for the purchase of securities. Normally the collateral used for this loan is either a pre-existing portfolio of securities and other assets, or securities purchased by the client. The legal personality of the client could vary from individuals to other figures existing in common law, such as trusts.
14. In a retail or private client context, there are multiple ways in which the client could make use of the proceeds of a collateralised loan, in addition to simply purchasing securities, e.g. to meet their private consumption expenditure needs or for investments outside the bank. There are also multiple ways in which a retail or private client could repay such a loan facility in addition to simply selling securities, i.e. external sources of repayment.
15. It is worth noting that under EMIR, the EC issued an FAQ² clarifying that the term "undertaking" is addressed to activities instead of entities. Against this background, the term "undertaking" would include entities, regardless of their legal status, performing economic activities in the market. It is also mentioned that *“As regards the concept of "economic activity", the Court has considered that any activity consisting in offering goods and services on a market is an economic activity, regardless of the entity's legal status and the way in which it is financed. Non-profit entities are also considered*

² http://ec.europa.eu/internal_market/financial-markets/docs/derivatives/emir-faqs_en.pdf



"undertakings" if they offer goods and services in the market. Individuals carrying out an economic activity are also considered to be undertakings, provided they offer goods and services in the market."

16. Apart from the many practical difficulties that reporting of retail client lending would involve, there is no obvious link between the reporting of loans to individual retail clients and the objectives of SFTR stated in the aforementioned Recital (7) of SFTR.
17. SFTs are normally concluded under a master agreement, which sets the rights and obligations of the parties. ESMA understands that retail banking transactions are subject to consumer credit legislation (such as the Consumer Credit Directive or the Mortgage Credit Directive), rather than concluded under a specific master agreement. While undocumented SFTs exist (such as undocumented BSB/SBB), the structuring of such transactions does not leave any doubt as to their nature. Therefore, ESMA is of the view that retail client lending does not fall under the definition of an SFT.
18. When it comes to trusts and other similar structures, the process is somehow different. Depending on the legal construct, the trustors, also known as settlors, could be personally liable for some of the debts incurred by the trustees on behalf of the trust. Such cases result in a similar situation to the one considered in the previous paragraphs, i.e. retail client lending rather than SFTs. However, when the transaction is concluded by a trust that is autonomous and bears no links with the settlors and sets no liabilities for them, the trust behaves as a legal undertaking. ESMA is of the view that such transactions do fall under the definition of an SFT, and should therefore be reported.

5.1.1.2 Private banking and Lombard loans

19. The nature of these transactions is similar to retail client lending. However, they are normally concluded with high net-worth individuals or legal structures built to optimise their investments. The proceeds of the loans are typically used for payments unrelated to the initial investments, including consumption purposes. The duration of these loans is reportedly also much longer than typical SFTs, which are to a large extent short-term instruments.
20. The collateral used for private banking loans can be of a very diverse nature and is not limited to financial assets but may also include physical assets other than commodities (i.e. consumer goods). This would pose a significant difficulty in the reporting of these transactions, should they be considered within scope.
21. Lombard lending by private banks is a form of retail client lending also usually subject to consumer credit legislation (such as the Consumer Credit Directive or the Mortgage Credit Directive). Moreover, for Lombard loans it is impossible for banks to identify whether the credit is used fully, partially or at all in connection with the purchase, selling, or carrying of securities (per the SFTR definition of margin lending).
22. ESMA is of the view that in situations where the proceeds of the loan are not intended (as part of the relevant financing transaction) to be directly used for purchasing, refinancing or trading the actual securities that constitute the collateral, then Lombard loans are not falling under the definition of an SFT either.

5.1.1.3 Overdraft facilities of custodians and CCP daylight lending facilities

23. Entities that hold a basket of securities as custodian frequently offer overdrafts or daylight lending facilities.
24. CCPs receive large amounts of non-cash collateral (as margin) from their clearing members. Pursuant to Article 44(1) of RTS 153/2013³, these assets may be placed into custody accounts, either at CSDs, central banks or authorised credit institutions. Separately, CCPs also receive large amounts of cash collateral (as margin) from clearing members. Under Article 45(2) of RTS 153/2013 CCPs are required to ensure that "not less than 95 % of such cash, calculated over an average period of one calendar month, shall be deposited through arrangements that ensure the collateralisation of the cash with highly liquid financial instruments". As a result, and to comply with this requirement, cash assets are invested by CCPs in reverse repo transactions (which fall under the definition of an SFT).
25. However, an additional complexity arises when repos are established and settled by delivery of bonds against cash on a "delivery versus payment" (DVP) basis. In any delivery, there is the risk of a short gap between payment and delivery due to the way in which settlement systems work. Moreover, many banks prefer to settle with their clients (such as CCPs) on a regular net basis rather than immediately deducting every single cash payment as DVPs arise. The banks managing such CCPs' repo programme may also hold CCP assets in custody. This means that, technically speaking, any such short gaps in funding will be covered (from the bank's perspective) by the lien it holds as a custodian.⁴ This is a particular issue for CCPs, which are reportedly heavy users of both custody and repos, under separate operational flows, but where the existence of custody assets and custodian liens may give rise to questions as to whether a margin loan or securities borrowing is taking place when relevant repos settle.
26. In addition to these custodial relationships, daylight lending facilities are commonplace in CCPs, covering uneven incoming cash flow from sales of the previous day's repo transactions. The securities accounts serve to cover the minimal risk daylight lending facility.
27. Both types of situations result in a credit line extended by the custodian to CCPs or other financial counterparties. ESMA is of the opinion that custody relationships and CCP "daylight lending" facilities do not fall under the definition of SFT. The original transaction leading to the overdraft (i.e. the transaction between the custodian's client and its counterparty, or between the CCP and its counterparty) will already falls under the definition of an SFT, or under the definition of an outright purchase or sale (as defined under MiFID II/MiFIR) or that of a derivative transaction (as defined under

³ Commission Delegated Regulation (EU) No 153/2013 of 19 December 2012 supplementing Regulation (EU) No 648/2012 of the European Parliament and of the Council with regard to regulatory technical standards on requirements for central counterparties.

⁴ In practice, when a client of a custodian requests the custodian to purchase some securities, the custodian normally buys them directly in the market and delivers them in the client's account. The purchase is *de facto* financed by the custodians, as for efficiency they do not draw immediately from the client's cash account. The custodian then nets out all transactions at the end of the day and draws the resulting amount from the cash account. Such types of loans appear to be normal business practice in custodial relationships.



EMIR). Considering the resulting overdraft as a separate SFT would lead to the reporting of an enormous number of transactions and securities (in an extreme case, to the reporting of all securities held in custody and in the CCP securities accounts). This would undermine the relevance of SFTR data, create a major burden on all reporting entities, and impair the ability of authorities to understand SFT-specific risks to financial stability, as those risks may be eclipsed by the data volumes generated from cash withdrawals reporting⁵.

5.1.1.4 Syndicated lending and other corporate loans

28. The SFTR margin lending definition may cover syndicated lending transactions i.e. “loans made to companies in connection with transactions where all or part of the proceeds of the loan is used to acquire shares in companies, or refinance previous loans made for those purposes.”
29. These loans may involve financing of shares in unlisted companies in the context of privately negotiated transactions (infrastructure transactions, financing for the purchase of a group of subsidiaries, intra-group reorganisation activities). They may also involve financing of shares in listed companies in the context of public transactions (mergers and acquisitions).
30. The transaction can involve a single lender, but larger transactions will be syndicated so that different entities (banks, funds, other institutional investors) can participate as lenders. According to industry estimates, the overall size of the European syndicated loan market is in excess of EUR 1 trillion.
31. The loans described above may be captured under the definition of margin lending to the extent that the loan is used to buy (and sell) securities which may or may not subsequently be posted as collateral. Many types of corporate actions that involve a corporate loan may potentially fall under the definition of an SFT, such as:
 - a. Mergers, acquisitions and takeovers
 - b. Joint Ventures
 - c. Spin-offs and carve-outs
 - d. Divestiture
 - e. Reduction of capital
 - f. Share buy-backs
32. Syndicated loans have a commercial purpose. Securities are purchased or sold as part of the transaction in order to gain or reduce ownership of a business. For example, in mergers and acquisitions, the potential profit stems from the difference in the share

⁵ For example, a proper understanding of the amount of credit generated by a repo would require linking the original repo transaction with the associated overdraft to avoid duplicating the SFT exposure.



price reflecting business decisions and announcements made directly in relation to the syndicated loan, between the purchase and the sale of securities.

33. In contrast, SFTs do not have a (non-financial) commercial purpose. Market participants use repos for liquidity and collateral management, and to cover short positions. Securities lending can also be used to earn additional returns from the ownership of a security, or to arbitrage between dividend tax regimes. Margin lending is used to finance the purchase of securities for trading purposes.
34. Unlike the type of corporate loans described above, the objective of these transactions is not to directly influence the commercial decision-making of the issuer of the security. For example, in a securities lending transaction under GMSLA, the borrower shall not enter a securities lending transaction “for the primary purpose of obtaining or exercising voting rights in respect of the Loaned Securities”.⁶
35. Recital (2) of Commission Delegated Regulation (EU) 2019/356 specifically excludes “loans for corporate restructuring purposes which, despite the possibility of involving securities, do not contribute to the systemic risks addressed” by SFTR. In line with this, ESMA is of the view that the loans listed above do not fall under the definition of SFT and therefore should not be reported under SFTR.

5.1.1.5 CSD fails-curing overdraft

36. As mentioned in the Final Report on draft RTS and ITS on SFTR, some respondents brought to ESMA’s attention the existence of “fails-curing” transactions. Fails curing refers to the securities lending and borrowing arrangements of CSDs amongst their participants, aimed specifically at reducing settlement fails. Similar mechanism exists on the cash side, as intraday credit / overdraft to CSD participants.
37. The remedy of curing of settlement fails is sometimes part of the services which an entity has access to as part of its participation in a CSD. Securities are automatically borrowed upon detection of a securities shortage in the borrower’s account in relation to a delivery obligation, if the system finds the right securities in the account of an entity that has agreed to participate as lender in such a fails-curing programme. Credit or securities provided to avoid settlement fails are collateralised with the securities account of the borrowing CSD participant.
38. ESMA confirmed in the final report that such securities lending and borrowing arrangements fall under the definition of an SFT, and as such are subject to SFTR reporting obligations.
39. However, ESMA did not consider in the final report the intraday credit / overdraft facilities that are sometimes offered as part of the “fails-curing” programmes of CSDs.
40. In addition to the two cases described in the final report, where a transfer of security for fails-curing purposes is covered with collateral securities (either transferred or not), some CSDs offer additional fails-curing services that do not involve the transfer of securities. In these “overdraft fails-curing” mechanisms, the credit provider is either the

⁶ See GMSLA 2010, paragraph 14.



CSD itself or one of the CSD participants. Such mechanisms are already subject to regulatory reporting on credit risk: the CSDR includes provisions that require CSDs providing banking services such as intra-day credit to report on a monthly basis to their competent authorities the CSDs' intraday exposure stemming from these services (see RTS 390/2017⁷, Art 39).

41. Against this backdrop, to limit the risk of regulatory overlap and the reporting burden on entities, while taking into account the above assessment of the daylight and overdraft facilities, ESMA is of the view that the intraday credit / overdraft resulting from fails-curing transactions do not fall under the definition of SFT and therefore should not be reported under SFTR.
42. The involvement of the CSD in an SFT is not always a synonym of fails-curing transaction. There might be instances in which CSDs enter into a securities lending arrangement on its own account, which obviously falls under the definition of an SFT. In that case, both the CSD and its counterparty would need to report the securities lending transaction, in accordance with the SFTR reporting obligation.

5.1.1.6 T2S Auto-collateralisation

43. The set-up of T2S auto-collateralisation resembles the intraday credit / overdraft fails-curing transaction described above. One essential difference with fails-curing is that the risk management rules under T2S auto-collateralisation are established, implemented and enforced by the ESCB, rather than by a private CSD. It is the T2S system that monitors whether the borrowers have enough headroom in comparison with the relevant limits that are established for them. Another essential difference with fails curing is that auto-collateralisation does not involve the lending of securities, but only cash. In that sense, it is closer to an overdraft. Hence ESMA is of the view that these transactions do not fall under the definition of SFT and therefore should not be reported under SFTR.

5.1.1.7 Give-ups and take-ups in the execution and clearing chain

44. In many instances, there are transitory situations where there are give-ups and take-ups between different entities in the execution and clearing chain. In this respect and having regard to Article 2(2) of RTS on reporting, only the status after the final take-up has to be reported. Hence ESMA is of the view that all the intermediate transactions do not fall under the definition of SFT and therefore should not be reported under SFTR.

5.1.1.8 Transactions involving emission allowances

45. It is worth mentioning that emission allowances are not considered a commodity, but a financial instrument under MIFID II. Moreover, none of the SFTs definitions refers to emission allowances. Therefore, ESMA is of the view that transactions involving the

⁷ Commission Delegated Regulation (EU) 2017/390 of 11 November 2016 supplementing Regulation (EU) No 909/2014 of the European Parliament and of the Council with regard to regulatory technical standards on certain prudential requirements for central securities depositories and designated credit institutions offering banking-type ancillary services.



use of emission allowances do not fall under the definition of SFT and therefore should not be reported under SFTR.

5.1.1.9 Summary of transactions that do not fall under the definition of SFTs

46. To sum up, considering the focus of the FSB on prime brokerage margin lending, the objectives of SFTR stated in Recital (7) SFTR and in Recital (2) of the Commission Delegated Regulation, ESMA believes that some of the transactions cited by market participants do not fall under the definition of SFT and more generally to shadow banking activities as described by the FSB, hence their reporting will not contribute to the objectives of the regulation. Therefore, the following transactions do not fall under the definition of an SFT and should not be reported under SFTR:

- a. Retail client lending (except when it is against an irrevocable trust)
- b. Private banking and Lombard loans
- c. Syndicated lending and other corporate lending⁸ for commercial purposes
- d. Overdraft facilities of custodians and CCP daylight lending facilities
- e. Intraday credit / overdraft fails-curing
- f. T2S auto-collateralisation
- g. Intermediate give-ups and take-ups
- h. Transactions involving emission allowances

Q1. Do you agree with the above assessment? Are there any other transactions for which clarification is needed? Please detail the reasons for your response.

5.1.2 Aspects related to all types of SFTs

47. The definitions of counterparties are provided in Articles 3(2), 3(3) and 3(4) of SFTR.
48. Following the consultations on the technical standards, ESMA proposed that a party to an SFT that acts on a principal basis, by transacting on its own account, should be referred to as a counterparty of an SFT.
49. An entity that acts as an intermediary in the conclusion of an SFT, either on the loan or on the collateral side, and on behalf of a client, should not be defined as a counterparty but as either broker, agent lender, tri-party agent or CSD participant, as applicable. One entity might have several roles in an SFT. The specific population of the counterparty data is detailed in Section 6.1.
50. Article 4(1) also emphasizes that the “*counterparties should report the details of any SFT they have concluded....*” Therefore, it is the obligation of the counterparties to

⁸ The types of corporate actions that involve a corporate loan are, among others, the following ones: (i) Mergers, acquisitions and takeovers; (ii) Joint Ventures; (iii) Spin-offs and carve-outs; (iv) Divestiture; (v) Reduction of capital, and (vi) Share buy-backs

identify which type of SFT they have concluded. Similarly, Article 1(1) provides that “A report made pursuant to Article 4(1) of Regulation (EU) 2015/2365 shall include the complete and accurate details set out in Tables 1, 2, 3 and 4 of the RTS Annexes that pertain to the SFT concerned.” As detailed in Annex 1 of the RTS on reporting and in Section 6.2 of this document, not all the fields are applicable to all SFTs, hence the counterparties should undoubtedly agree on the type of SFT concluded.

51. An SFT is reportable when there are two counterparties to it, or where one of the parties to the SFT is an individual that is not an undertaking and the other is a counterparty as defined in SFTR . There is no SFT with more than a pair of counterparties. In the case of an allocation of loans between two or more collateral takers and two or more collateral providers, an SFT is defined as each collateralized loan of securities, cash or commodities, between two counterparties.
52. Specifically in the case of sub-funds, similarly to what is done under EMIR, sub-funds usually have LEI. In that case it should be reported as counterparty on a standalone basis. The relevant loan and collateral information should refer to the SFTs concluded by that sub-fund. In case the sub-fund is not a party to the SFT, please refer to section 5.18.
53. In the case of cleared SFTs, each of the SFTs between the CCP, its clearing members and the clients of those, and so on, constitutes a separate SFT and should be reported with a different UTI.
54. Therefore, except for the transactions included in Article 2(3) of SFTR and those referred to in section 5.1.1, all other SFTs should be reported as detailed in the subsequent section of these Guidelines. It is worth noting that the SFTs referred to under Article 2(3) are reportable under Regulation 600/2014.
55. The reporting of SFTs concluded in the course of operations of a branch of a counterparty is detailed in section 5.2.

Q2. Do you agree with the approach set out for reporting of SFTs under Article 4 of SFTR as detailed above? Please detail the reasons for your response.

5.1.3 Aspects related to repos

56. A repo or a reverse repo is a transaction concluded between two counterparties which involves a collateralized loan in one currency. In the case of collateralized loans in more than one currency, those constitute separate SFTs and need to be reported with separate UTIs.
57. SFTs, namely repos and reverse repos, concluded by CCPs to invest (i) own assets for the purpose of liquidity maintenance, or (ii) clearing members’ assets provided as margin, are covered by the reporting obligation under Article 4 of SFTR.
58. Repos and reverse repos should be reported by using the ISO 20022 XML template applicable to repo.

Q3. Do you agree with the approach for reporting repos and reverse repos as detailed in this section? Please detail the reasons for your response



Q4. Are there any other types of repos and reverse repos transactions for which reporting needs to be clarified? Please detail the reasons for your response.

5.1.4 Aspects related to BSB/SBB

59. Article 3(8) of SFTR provides that “‘buy-sell back transaction’ or ‘sell-buy back transaction’ means a transaction by which a counterparty buys or sells securities, commodities, or guaranteed rights relating to title to securities or commodities, agreeing, respectively, to sell or to buy back securities, commodities or such guaranteed rights of the same description at a specified price on a future date, that transaction being a buy-sell back transaction for the counterparty buying the securities, commodities or guaranteed rights, and a sell-buy back transaction for the counterparty selling them, such buy- sell back transaction or sell-buy back transaction not being governed by a repurchase agreement or by a reverse- repurchase agreement within the meaning of point (9)”.
60. However, in the course of the consultations it has become apparent that certain BSB/SBB are governed by bilateral or master agreements, though the specific annexes covering them are different from those pertaining to repos and reverse repos. Undoubtedly, the type of SFT concluded is BSB/SBB.
61. ESMA proposes that where the BSB/SBB is governed by a bilateral or master agreement or an annex to a master agreement, this agreement should be reported in the relevant fields, namely fields 9-11 of Table 2 on Loan and collateral data.
62. ESMA believes that not including this information will have detrimental effect on the data accessed by authorities and will not allow them to assess correctly the risks to financial stability.
63. BSB/SBB should be reported by using the ISO 20022 XML template applicable to BSB/SBB.

Q5. Are there any other aspects on reporting of master agreements or other elements of BSB/SBB that need to be clarified? Please detail the reasons for your response.

5.1.5 Aspects related to Securities lending and borrowing

64. Article 3(7) of SFTR provides that “‘securities or commodities lending’ or ‘securities or commodities borrowing’ means a transaction by which a counterparty transfers securities or commodities subject to a commitment that the borrower will return equivalent securities or commodities on a future date or when requested to do so by the transferor, that transaction being considered as securities or commodities lending for the counterparty transferring the securities or commodities and being considered as securities or commodities borrowing for the counterparty to which they are transferred”.
65. Following on the definition, the conclusion of an SLB is connected to the transfer of securities from the lender to the borrower. An SLB cannot have more than one ISIN transferred. If in the process of allocation by third-party entities, such as agent lenders,

there is more than one ISIN to be transferred between a given pair of counterparties, then a different SFT for each ISIN should be reported.

66. In most cases, SLBs are settled in accordance with the settlement cycle in the EU, i.e. T+2. A similar length of the settlement cycle is in place in most G-20 jurisdictions.
67. However, there might be instances in the process of optimization of SFTs in which some SLBs are cancelled and replaced, leading to a reduction in the number of SFTs. Given that Article 4(1) of SFTR requires the reporting of conclusions, modification and termination of SFTs no later than the following working day, all SFTs that have been concluded should be reported. This includes all SFTs that were generated even though they might not be settled.
68. In the course of the consultations it was also mentioned that some types of asset managers were not considered in the different scenarios presented. This includes funds that aggregate securities in an asset pool and can lend them. These funds trade through a broker that will act as an agent and lend a security for a given quantity out of the pool of assets of the funds. A direct transaction will be confirmed between the counterparty and the pool. At the end of the day the final allocation is made, and individual confirmations are sent to each fund participating in the pool. The details are also sent to the counterparty and settlement takes place through one single transfer out of the common depository of all the concerned funds. In this particular case, and following the general principle included in paragraph 51, a separate SFT for each pair of counterparties and ISIN should be reported to the TRs by the counterparties.
69. SLB should be reported by using the ISO 20022 XML template applicable to SLB.
- Q6. Do you foresee any issues relating to the non-availability of information on the counterparties and the securities by T+1? Please detail the reasons for your response.**
- Q7. To what extent the SFTs that are cancelled and replaced bear price-forming information, i.e. does the cancellation imply an additional fee or price charged? If so, how can this information be better included in the reports? Please detail the reasons for your response.**
70. ESMA is aware that there are instances where the counterparties conclude SLB that are not security-driven, but cash-driven. Cash-driven SLB are similar to repos or margin loans, in that one or several securities are used to collateralise a cash loan in one currency. In this case while the economic setup is comparable to a repo, the practical arrangements used correspond to an SLB. Such transactions appear to be primarily related to CCPs (as part of their business activities other than central clearing), taking place under the CCP's own contractual arrangements (i.e. not GMSLA) and through a triparty agent. However, they might exist in other instances.
71. There are three main options for reporting cash-driven SLB, also known as "reverse securities loans". Such transactions might indeed be reported as repos, SLB or margin loans.
72. The fields pertaining to standard SLB are not granular enough for cash-driven securities loans, as they do not allow e.g. for the population of fields 2.37, 2.38 and 2.39 (on principal amount and currency). Moreover, the reporting of cash-driven

transactions (i.e. for financing purposes) using templates that were designed for security-driven ones (i.e. for collateral sourcing) likely implies likely misinterpretation of the purpose of such transactions by future data users, especially when looking at the data on an aggregate basis. It will also increase the number of SFTs reported, as for a single cash pool on the collateral side there will be multiple securities loans.

73. While reporting reverse securities loans as repos or margin loans would more accurately reflect the purpose of these transactions, this would also imply foregoing relevant information e.g. on rebate rate. Moreover, it will impair the assessment of sufficiency of collateral when there is collateralisation on a net exposure basis, which is the great majority of these cases, and may create confusion. For example, reporting cash-driven SLB as margin loans would require reporting the cash part as “Outstanding margin loan”, the securities on loan information under the collateral-related fields, while any security used as collateral in one of the underlying trades would need to be reported under “Short market value”.

Q8. Which approach would you favour in terms of reporting cash-driven SLB? Please detail the reasons for your response.

5.1.6 Aspects related to SFTs involving commodities

74. ESMA also confirms that instances where the collateral taker sells a commodity to the collateral provider with the option (but not a commitment or agreement) to buy back or repurchase such commodity are not in the scope of Article 3(8) of SFTR.
75. As indicated in paragraph 50, the counterparties need to identify the type of SFT that they are concluding on the basis of the agreement used for the transaction. In most cases this is defined by the existence of/lack of a master agreement.
76. When reporting SFTs involving commodities, further to the relevant master agreements, the counterparties should assess the extent to which the type of SFT involving commodities that they are reporting could fit into the fields applicable to that SFT. This should help determine whether the transaction needs to be reported as a commodities lending or borrowing transaction, or as a repo/SBB or reverse repo/BSB collateralized with commodities.
77. Furthermore, all SFTs as defined in Articles 3(7) to 3(10) SFTR, except margin lending, include a reference to the possible use of commodities as part of the SFT. BSB/SBB limits the use of commodities to purchases and subsequent sales between the two counterparties (without market intermediary), whereas the commodities lending and borrowing transactions and repos allow for both title transfer and pledge arrangements. Therefore, the counterparties should populate the type of collateral arrangement in field 2.20 Method used to provide collateral, as appropriate.
78. ESMA notes that commodities financing is largely a bilateral market and does not incorporate the use of intermediaries in the same way as some other securities financing transactions, as expressed in the required reporting fields.
- Q9. Do you agree with the proposal with regards to reporting of SFTs involving commodities? What other aspects should be clarified with regards to these SFTs? Please detail the reasons for your response.**



5.1.6.1 SFTs involving energy

79. The responses to previous consultations also flagged a potential overlap between SFTR and REMIT. It is worth noting that REMIT covers the reporting of transactions involving energy where the energy is delivered in the EU. The scope of SFTR does not limit the place where the commodity lent or borrowed or provided as collateral is delivered, but the reporting templates neither include information on it.
80. If a transaction within REMIT were also within the scope of SFTR it is likely that such transaction would be reported pursuant to a REMIT “Non-Standard Contract” template and reportable on a T+ 30 days basis; while the reporting of SFTs is generally on a T+1 basis. Thus, it is conceivable that a transaction (e.g. buy – sell-back of gas across zones with (alternative) financing objectives) is a REMIT reportable transaction with T+30 reporting timeframe, but also could be an SFT reportable by T+1.
81. Therefore, where these types of transactions are sufficiently clear for unambiguous classification as SFTs used to finance commodities they are reportable as per the reporting template.

Q10. Are there any aspects that need to be clarified with regards to this type of SFTs? Please detail the reasons for your response.

5.1.7 Margin lending

82. Margin loans are bilateral transactions, hence the identification of number of reportable transactions does not represent a significant difficulty. Moreover, it is expected that at a given point in time, one and only one margin lending transaction exists between each pair of counterparties. This SFT will relate to any margin loan in the base currency or a short market value. In case the entities agree to have more than one base currency and the margin loans are determined in relation to each of them, then there should be a margin lending transaction per each base currency.
83. When the margin loan is at zero, i.e. no credit is being extended, then the transaction should not be reported with Action type “ETRM”, but rather with action type “MODI”.

Q11. Do you agree with the proposal with regards to reporting of margin lending? What other aspects should be clarified with regards to these SFTs? Please detail the reasons for your response.

5.2 Reporting of CCP-cleared SFTs

84. In line with EMIR derivative reporting⁹, ESMA suggested establishing complementary position-level reporting for CCP cleared SFTs based on specific conditions. It was proposed to allow the counterparties to optionally report a single position-level SFT when the following conditions are met:

⁹ The conditions are defined in EMIR Q&As (TR Question 17): https://www.esma.europa.eu/sites/default/files/library/2016-1176_qa_xix_emir.pdf



- a. The legal arrangement is such that the risk is at position level, the trade reports all relate to products that are fungible with each other and the individual trades have been replaced by the position. This is the case when novation takes place after netting of individual trades, the netted position results in a new contract, and a new UTI is generated for it. This could be the case for example, between a clearing member and a CCP.
 - b. The original trades, i.e. at transaction level, have been correctly reported. It is not permissible to report only positions.
 - c. Other events that affect the common fields in the report of the position are separately reported.
 - d. The original trade reports (point b above) and reports relating to other events (point c above), where applicable, have reached a suitable “end of life state”. This should be achieved by sending early termination messages and then reporting the net position either as a new position or as an update to the existing position.
 - e. The report of the position is made correctly filling in all the applicable fields in the counterparty-specific and transaction data, and, as appropriate, margin and collateral re-use table of fields.
 - f. If these conditions are fulfilled, then the reporting of subsequent updates, including valuation updates, collateral updates and other modifications and lifecycle events can be applied to the report of the position (as modifications etc., and keeping the same value of the Trade ID on the CCP cleared position) and not to reports of the original trades/events.
85. This fungibility requirement poses no problems for derivatives but, in repo, it means that separate positions would have to be reported for each settlement date and, on each date, separate positions would have to be reported for each currency and each ISIN. This would make position-reporting more complicated than it might initially appear.
86. ESMA has been made aware that there is also a fundamental obstacle to position-reporting of CCP-cleared repos. At least in the case of one of the major repo-clearing CCPs, the only novation consists of replacing the contract between two clearing members with two contracts between the CCP and each clearing member. And this takes place before the netting of fungible obligations on the same settlement date, which is classed as technical/settlement/payments netting, so does not create a new single contract for each net delivery or payment amount, which would not therefore qualify for a UTI.
- Q12. Having in mind that position reporting of CCP-cleared SFTs is optional only when transaction-level reporting was made in accordance with paragraph 84, do you believe that additional clarifications need to be provided by ESMA? Please detail the reasons for your response.**



5.3 Allocation of responsibility under Article 4(3) SFTR

5.3.1 General case

87. Article 4(1) establishes the general reporting obligation for the conclusion, modification and termination of SFTs.
88. Furthermore, Article 4(3) provides a framework for the allocation of responsibility for reporting by counterparties that are subject to the regulation.
89. Moreover, there are certain instances in which the framework of mandatory delegation might suggest that the SFT has to be reported by entities, e.g. UCITS management company or AIFM or an FC, established in third country.
90. The guidance on population of fields in the case of allocation of responsibility under Article 4(3) SFTR is included in section 6.1 of this document.

5.3.2 TC-FC

91. With regards to counterparties, it is mentioned that Article 4(3) applies to third country (TC) entities only with regards to the SFTs concluded in the course of operations of their branch in the Union.
 92. Furthermore, under Article 21(2) SFTR it is provided that “Where the Commission has adopted an implementing act on equivalence with regard to a third country, as referred to in paragraph 1 of this Article, counterparties entering into a transaction subject to this Regulation shall be deemed to have fulfilled the requirements laid down in Article 4 where at least one of the counterparties is established in that third country and the counterparties have complied with the relevant obligations of that third country in relation to that transaction.”
 93. Therefore, once equivalence of a given TC is declared by the EC, in the case of SFT concluded between a TC-FC, without a branch in the Union, and a SME-NFC, where the TC-FC and the SME-NFC have fulfilled the reporting obligations of that third country and neither the TC-FC nor the SME-NFC should report it under SFTR.
 94. If the situation described in paragraphs 5.3.2-93 is not applicable, the allocation of responsibility with regards to compliance with the reporting obligation cannot be allocated to a TC-FC and the SME NFC should either report directly the SFT to a TR, or otherwise make use of the possibility for voluntary delegation included in Article 4(2).
- Q13. Do you agree with the approach regarding allocation of responsibility with regards to SFTs concluded between TC-FC and EU SME-NFC? Please detail the reasons for your response.**

5.3.3 Funds

95. In the case of UCITS it is worth noting that the UCITS management company is always established in the EU. The UCITS cannot be managed by a TC-AIFM either. This instance does not create any particular difficulty for reporting.



96. Under the AIFMD, there can indeed be EU AIF which is managed by a non-EU AIFM. You've two possible situations:
- a. National private placement regime (art. 42 AIFMD) (the only currently available as no passport has been granted to any 3rd country yet): under this scenario Member States may allow non-EU AIFMs to market to professional investors, in their territory only, units or shares of AIFs they manage subject to a number of conditions. There are no conditions of authorisation, supervision, etc. under this article of the AIFMD, but this may be foreseen in the national provisions which may be stricter.
 - b. Passporting regime (art. 37, 39 and 40 AIFMD): non-EU AIFMs intending to manage and/or market AIFs in the EU with a passport need to obtain a prior authorisation by their Member State of reference (established as per the provisions of art. 37). However, as mentioned above, this regime isn't currently available to any TC.
97. AIFMs that are established in a third country, but are authorised to provide services under passporting regime, retain the responsibility for reporting. In the cases on national private placement, the AIFM should report if required so by the national rules, or otherwise the responsibility remains with the fund.
- Q14. Do you agree with the approach regarding allocation of responsibility with regards to UCITS management company and AIFM, established in third country? Please detail the reasons for your response.**

5.4 Voluntary delegation of reporting

98. Under SFTR, same as under EMIR, counterparties may voluntarily delegate the reporting to a third party. Such voluntary delegation however is not linked to an allocation of responsibility.
99. Similarly to EMIR¹⁰, it is worth noting that EU counterparties should continue carefully assessing any risks that might be posed to their compliance with the reporting obligations under Article 4 of SFTR in case of delegation of reporting to a non-EU27 report submitting entity.

5.5 Application of SFTR reporting obligations to SFTs concluded by branches

5.5.1 Application of SFTR reporting obligations to SFTs concluded by non-EU entities with EU branches

100. Article 2(1)(a) SFTR specifies that the Regulation applies to any counterparty to an SFT that is established in the EU (including all its branches) and to any non-EU

¹⁰ https://www.esma.europa.eu/sites/default/files/library/esma70-151-1997_statement_brexit_emir_data.pdf, section 2, second paragraph



counterparty “if the SFT is concluded in the course of the operations of a branch in the Union of that counterparty”.

101. The concept of conclusion has normally a broader meaning than the concept of execution.
102. Under Article 14 of CDR 2017/590¹¹ dealing with the reporting of executions by branches, it is considered that at least one of the following conditions need to be met:
 - a. where the branch received the order from a client or made an investment decision for a client in accordance with a discretionary mandate given to it by the client;
 - b. where the branch has supervisory responsibility for the person responsible for the investment decision concerned;
 - c. where the branch has supervisory responsibility for the person responsible for execution of the transaction;
 - d. where the transaction was executed on a trading venue or an organised trading platform located outside the Union using the branch's membership of that trading venue or an organised trading platform.
103. Therefore, the above conditions are the minimum ones under which an SFT becomes reportable under SFTR, as a result of the fact that it is concluded by an EU branch of non-EU entity.

Q15. Do you agree with the approach for determining conclusion of SFTs by EU branches of non-EU entities? Are there any other instances in addition to the ones in paragraph 102 that would need to be clarified? Please detail the reasons for your response.

5.5.2 Determination of reportable SFTs when concluded by branches

104. Table 3 explains what is expected of reporting counterparties with regard to the reporting obligation. As explained in the SFTR final report, it outlines different scenarios for clarifying whether a transaction is reportable, and, if so who has the reporting obligation.
105. The final column entitled ‘Reportable under SFTR’ refers to whether the transaction is subject to the reporting obligation under the SFTR. If not reportable, the transaction does not need to be reported, regardless of the location of the counterparties/branches. The rows of the table below that are red show scenarios that are never reportable under the SFTR.
106. It is important to understand that for certain scenarios the reporting obligation’s existence for the counterparty does not mean that the SFT must be reported, and visa-versa as explained in Table 1. For example, transactions concluded between two branches of the same legal entity, even when the counterparty (identified with LEI 1) is

¹¹ Commission Delegated Regulation (EU) 2017/590 of 28 July 2016 supplementing Regulation (EU) No 600/2014 of the European Parliament and of the Council with regard to regulatory technical standards for the reporting of transactions to competent authorities

subject to the reporting obligation, are not reportable, as set out in the final column. The reason for this is that there are no two counterparties, but rather two extensions of the same one.

107. It is worth noting that even though a branch might have an LEI, in the fields “Reporting counterparty”(1.3) and “Other counterparty” (1.11) the LEI of the relevant headquarters should be reported, whereas the information of the relevant branch should be reported in fields “Branch of the reporting counterparty” (1.7) and “Branch of the other counterparty” (1.8). The field “Country of the other counterparty” (1.12) should be populated with the country code of the headquarters, not of the branch.

	Reporting Counterparty	Country of the reporting counterparty	Country of the branch of the reporting counterparty	Reporting obligation	Other Counterparty	Country of the other counterparty	Country of the branch of the other counterparty	Reporting obligation	Reportable under SFTR
SFT1	LEI1	EU		YES	LEI1	EU	AT	YES	NO
SFT2	LEI1	EU		YES	LEI1	EU	US	YES	NO
SFT3	LEI1	EU	BE	YES	LEI1	EU	AT	YES	NO
SFT4	LEI1	EU	BE	YES	LEI1	EU	US	YES	NO
SFT5	LEI1	EU	CH	YES	LEI1	EU	US	YES	NO
SFT6	LEI1	EU		YES	LEI2	EU		YES	YES
SFT7	LEI1	EU		YES	LEI2	EU	AT	YES	YES
SFT8	LEI1	EU		YES	LEI2	EU	US	YES	YES
SFT9	LEI1	EU	BE	YES	LEI2	EU		YES	YES
SFT10	LEI1	EU	BE	YES	LEI2	EU	AT	YES	YES
SFT11	LEI1	EU	BE	YES	LEI2	EU	US	YES	YES
SFT12	LEI1	EU	US	YES	LEI2	EU		YES	YES
SFT13	LEI1	EU	US	YES	LEI2	EU	AT	YES	YES
SFT14	LEI1	EU	US	YES	LEI2	EU	US	YES	YES
SFT15	LEI1	EU		YES	LEI3	US		NO	YES
SFT16	LEI1	EU		YES	LEI3	US	CH	NO	YES
SFT17	LEI1	EU		YES	LEI3	US	AT	YES	YES
SFT18	LEI1	EU	BE	YES	LEI3	US		NO	YES
SFT19	LEI1	EU	BE	YES	LEI3	US	CH	NO	YES
SFT20	LEI1	EU	BE	YES	LEI3	US	AT	YES	YES
SFT21	LEI1	EU	US	YES	LEI3	US		NO	YES
SFT22	LEI1	EU	US	YES	LEI3	US	CH	NO	YES
SFT23	LEI1	EU	US	YES	LEI3	US	AT	YES	YES
SFT24	LEI4	US		NO	LEI3	US		NO	NO
SFT25	LEI4	US	AT	YES	LEI3	US		NO	YES
SFT26	LEI4	US	CH	NO	LEI3	US		NO	NO
SFT27	LEI4	US		NO	LEI3	US	AT	YES	YES
SFT28	LEI4	US	AT	YES	LEI3	US	AT	YES	YES
SFT29	LEI4	US	CH	NO	LEI3	US	AT	YES	YES
SFT30	LEI4	US		NO	LEI3	US	CH	NO	NO
SFT31	LEI4	US	AT	YES	LEI3	US	CH	NO	YES

Table 1 - Reporting by branches

	Reporting Counterparty	Country of the reporting counterparty	Country of the branch of the reporting counterparty	Reporting obligation	Other Counterparty	Country of the other counterparty	Country of the branch of the other counterparty	Reporting obligation	Reportable under SFTR
SFT32	LEI4	US	CH	NO	LEI3	US	CH	NO	NO
Note: AT and BE are ISO 3166-1 Alpha-2 codes for EU member states, US and CH are ISO 3166-1 Alpha-2 codes for non-EU member states.									
All codes are included for illustrative purposes.									
If the country of the branch is not provided it should be interpreted that the SFT was concluded by the headquarters									
The reporting of the data elements in italics might not be required.									

Q16. Is the proposed guidance for determining whether an SFT conducted by a branch needs to be reported clear and comprehensive? Which areas require further clarification? Please detail the reasons for your response.

5.6 Reporting of intragroup transactions

108. An intragroup transaction is a transaction between two undertakings which are included in the same consolidation on a full basis and are subject to appropriate centralised risk evaluation, measurement and control procedures. As explained in paragraph 109 of the Final Report on SFTR, there are no exemptions in relation to reporting of intragroup SFTs by counterparties subject to the reporting obligation. Therefore, when an intragroup SFT is concluded, the counterparties should report it in accordance with Article 4 of SFTR.

Q17. Is the proposed guidance for reporting of intragroup SFTs clear and comprehensive? Which areas require further clarification? Please detail the reasons for your response.

5.7 Reporting by an NFC

109. Article 33(2)(a)(iv) SFTR provides that non-financial counterparties must comply with the SFTR reporting obligation 21 months after the regulation enters into force.

110. Ahead of that date, non-financial counterparties are expected to prepare their systems so that they will be ready to fully comply with the obligation on that date.

111. ESMA recognizes that an LEI may be unavailable in some scenarios, however this does not apply to NFC, established in the EU. All entities subject to SFTR should use LEI for the identification of the entities referred to in the relevant data fields.

112. Mandatory delegation of reporting of an SFT concluded between FC and SME NFC is discussed in section 5.2.

113. When the SFT is concluded between two NFCs, both of them need to report it to a TR, though they can make use of the possibility to delegate the reporting under Article 4(2) to one of them or to a third party.



Q18. Do you agree with the approach for reporting by NFCs? Is there any additional aspect relating to reporting by NFCs that needs to be clarified? Please detail the reasons for your response.

5.8 Timely reporting of conclusion, modification and termination of an SFT

114. Article 4(1) SFTR provides that “Counterparties to SFTs shall report the details of any SFT they have concluded, as well as any modification or termination thereof, to a trade repository registered in accordance with Article 5 or recognised in accordance with Article 19. Those details shall be reported no later than the working day following the conclusion, modification or termination of the transaction”.

5.8.1.1 Conclusion of an SFT

115. Reporting of conclusion of SFT is intrinsically linked to the main purpose of SFTR, namely “enhancing the transparency of certain activities in financial markets such as the use of SFTs and reuse of collateral in order to enable the monitoring and identification of the corresponding risks”. From the point in time in which the entities conclude an SFT, it becomes a reportable transaction.

116. In case an SFT that is concluded is subsequently cancelled or not completed, due to reasons attributable to the counterparties or to third parties, such as CCPs or CSDs, then the counterparties after reporting it with Action type “New” or “Position Component”, as applicable, should report it with Action type “Error”.

Q19. Do you agree with the proposal for reporting conclusion of SFTs? Please detail the reasons for your response.

5.8.1.2 Modification and correction of an SFT

117. A modification to an SFT comprises the reporting of the following action types: “Modification” and “Correction”. The timeline for reporting is the same as for the conclusion of a trade. In order to provide authorities with a comprehensive snapshot of the risks to financial stability, counterparties should report only the modifications that have taken place. Modifications that are agreed but have not taken place should not be reported until the actual modification takes place. This will allow authorities, when analysing the data contained in the trade state reports provided by TRs, to know what the existing risks from outstanding SFTs are, rather than the potential ones.

Q20. Do you agree with the proposal for reporting modifications to SFTs? Please detail the reasons for your response.

5.8.1.3 Collateral updates

118. The timeline for reporting collateral updates is the same as for the conclusion of a trade, except for the cases referred to in Articles 3(6) and 3(7) RTS on reporting. However, some updates might be agreed between the counterparties, but due to

reasons attributable to the counterparties or to third parties, such as CCPs or CSDs, might not be finalised. This would mean, that a given collateral update report has to be re-submitted with the final correct data. In some other instances, the entities will have agreed already on some changes to the collateral but have not yet carried them out. Counterparties should report only the collateral updates that have taken place, not those that are agreed, but have not yet taken place. This will allow authorities, when analysing the data contained in the trade state report provided by TRs, to know what the existing risks to outstanding SFTs are, not the potential ones.

Q21. Do you agree with the proposal for reporting collateral updates to SFTs? Please detail the reasons for your response.

5.8.1.4 Valuation, margin and reuse updates

119. The timeline for reporting “Valuation update”, “Margin update” and “Reuse update” is the same as for the conclusion of a SFT. ESMA is not aware that these action types and the information contained in them present any particular difficulty and require further guidance. For guidance on how to fill the fields related to valuation, margin and reuse, please see section 6.

Q22. Do you have any issues with reporting in a timely manner valuation, margin and reuse updates pertaining to SFTs? Please detail the reasons for your response.

5.9 Treatment of reports submitted by entities mentioned in Article 2(2) and 2(3) of SFTR

120. In the event that an entity referred to in Article 2(2) and 2(3) SFTR reports a transaction to a TR, the TR should reject the report.

Q23. Do TRs require additional guidance in relation to how reports submitted by the entities mentioned in Article 2(2) and (3) of SFTR should be treated and the relevant procedures to follow? If so please confirm where further guidance is required.

5.10 Identification of a CSD participant

121. Counterparties should populate the CSD participant field in all cases, even if the SFT settles outside of a CSD. ESMA expects that the reporting counterparty should report:

- a. its own LEI if it is settling directly at any CSD, i.e. it is a CSD participant;
- b. its own LEI if it is settling securities at any of the two ICSDs even where these are not the issuer CSD, i.e. it is an iCSD participant;
- c. the LEI of its custodian bank irrespective of whether the custodian is using any sub-custodian or not.

122. The counterparties should not report the LEI of the CSD in which they are either direct or indirect participants.

Q24. Do you agree with the proposed rules for reporting of field 1.17? Are there any other instances that would need to be clarified? Please detail the reasons for your answer.

5.11 Action types

5.11.1 Applicable action types

123. SFT counterparties should report the conclusion, modification and termination of an SFT. In case none of the details of the SFT, as expressed in the data fields, have changed, the counterparties should not report again details of the SFT.
124. Valuation updates should be reported only when there is a change in the value of the securities.
125. As provided in Article 5(3) of ITS on reporting “A counterparty to an outstanding SFT shall report any modification of the details relating to the collateral data in fields 75 to 94 of Table 2 of Annex I with action type “Collateral update.” Furthermore, it is specified that “The counterparty shall report those modified details as they stand at the end of each day until it reports the termination of the SFT, or it reports the SFT with action type “Error”, or until the SFT reaches its maturity date, whichever is the earlier.” Therefore, in the case of collateral reporting, the counterparties should not report any intraday changes in the collateral, but only the end of day state.
126. For the purpose of reporting the SFT lifecycle events, the action types listed immediately below apply. These action types are mutually exclusive. The reporting with each different action type bears different information for authorities both from business and data management perspectives. Therefore, the counterparties should strive to report the correct action type.
127. Loan and Collateral Data (Table 2 of the Annex to ITS on reporting):
 - a. New (NEWT) – SFT reported for the first time, in which case it will be identified as ‘new’;
 - b. Modification (MODI) – a modification (other than defined in CORR, VALU and COLU) of a previously reported SFT in which case it will be identified as ‘Modification’;
 - c. Valuation update (VALU) – a valuation of the security or commodity used in a securities or commodities lending transaction, in which case it will be identified as ‘Valuation Update’;
 - d. Collateral update (COLU) – a modification of the details of collateral data, including its valuation, in which case it will be identified as “Collateral update”;
 - e. Error (EROR) – a cancellation of a wrongly submitted entire report, e.g. in cases the SFT never came into existence or was not subject to SFTR reporting requirements but was reported to a trade repository by mistake, in which case, it will be identified as ‘error’;



- f. Correction (CORR) – a previously submitted report contains erroneous data fields, in which case the report correcting the erroneous data fields of the previous report shall be identified as 'correction';
 - g. Termination/Early termination (ETRM) – a termination of an open term SFT or an early termination of a fixed term SFT, in which case it will be identified as 'termination /early termination'.;
 - h. Position component (POSC) – an SFT that is to be reported as a new trade and included in a separate position report on the same day, in which case it will be identified as a "position component".
128. Margin Data (Table 3 of the Annex to ITS on reporting), applicable only to CCP-cleared SFTs:
- a. New (NEWT) – a new margin balance, in which case it will be identified as 'new';
 - b. Margin update (MARU) – a modification of the details of the margins in which case it will be identified as 'Margin update';
 - c. Error (EROR) – a cancellation of a wrongly submitted entire report, in which case, it will be identified as 'error';
 - d. Correction (CORR) – a previously submitted report contains erroneous data fields, in which case the report correcting the erroneous data fields of the previous report shall be identified as 'correction';
129. Re-use, Cash Reinvestment and Funding Sources Data (Table 4 of the Annex to ITS on reporting):
- a. New (NEWT) – a new reuse or cash collateral reinvestment balance, in which case it will be identified as 'New';
 - b. Reuse update (REUU) – a modification of the details of the reuse or cash collateral reinvestment, in which case it will be identified as 'reuse update';
 - c. Error (EROR) – a cancellation of a wrongly submitted entire report, in which case, it will be identified as 'error';
 - d. Correction (CORR) – a previously submitted report contains erroneous data fields, in which case the report correcting the erroneous data fields of the previous report shall be identified as 'Correction'.

5.11.2 Full snapshot versus partial reporting of amendments to SFTs

130. With regards to the reporting of amendments, both lifecycle events and corrections, pertaining to SFTs ESMA must ensure that the most efficient and accurate approach is used by reporting counterparties and by TRs. ESMA would like to set a single approach to reporting of amendments.
131. Therefore, ESMA would like to collect respondents' views on the most effective way of ensuring accurate reporting of the details of the SFTs. ESMA envisages two alternative approaches with regards to the reporting of amendments to the SFTs and the population of fields in the XML messages.



132. Under Proposal A reporting counterparties should submit messages where the template requires all fields (including those which have not altered) to be reported, still allowing for separate reporting between loan and collateral data.
133. There are a few immediate advantages of this approach:
- a. Reporting counterparties normally handle information at SFT last state level, not at delta level or difference between current and previous state
 - b. In the case of rejection, the reporting counterparties would have immediate information on the relevant missing or incorrect data.
 - c. TRs will more easily validate the record and confirm to the counterparties the acceptance or rejection of an SFT report
 - d. TRs would more easily generate reports for inter-TR reconciliation and calculate trade state reports
134. There are also some drawbacks:
- a. The size of the messages will increase considerably, as the latest data that was already reported will be repeatedly reported.
 - b. It will be less straight-forward for authorities to observe and analyse which details of SFTs have been changed, as they will need to do the comparison between the latest and the previous
135. Under Proposal B reporting counterparties should submit messages where the template requires only the amended data fields to be reported.
136. The advantages and drawbacks of this approach are inverse to the ones of Proposal A.
- Q25. Do you consider proposal A or proposal B to be the most efficient way to ensure that details of SFTs are reported accurately, and why? What would be the costs and benefits of each approach? Please detail the reasons for your response.**

5.11.3 Sequence between action types for the different types of messages

137. The below tables provide information on the different combinations of the sequence of action types that are not prohibited by the validation rules¹². The information presented in Table 2 applies to trade and position¹³ level reporting, whereas Table 3 and Table 4 are specifically related to the reporting of margins for CCP-cleared SFTs and the reporting of reuse.

Table 2 - Counterparty, Loan and Collateral data

Following step

¹² Future changes in the definition of the validation rules may impact the content of the table.

¹³ Position component does not apply for reporting of the position level reporting

Table 2 - Counterparty, Loan and Collateral data

		New	Error	Termination / Early termination	Modification	Valuation update	Collateral update	Correction	Position component
Previous step	New		x	x	x	x	x	x	
	Error								
	Termination/Early termination		x					x	
	Modification		x	x	x	x	x	x	
	Valuation update		x	x	x	x	x	x	
	Collateral update		x	x	x	x	x	x	
	Correction		x	x	x	x	x	x	
	Position component		x					x	

		Following step			
		New	Error	Margin update	Correction
Previous step	New		x	x	x
	Error				
	Margin update		x	x	x
	Correction		x	x	x

Table 4 - Re-use, Cash Reinvestment and Funding Sources Data

		Following step			
		New	Error	Reuse update	Correction
Previous step	New		x	x	x
	Error				
	Reuse update		x	x	x
	Correction		x	x	x

Q26. Do you agree with the sequences proposed? Please detail the reasons for your response.

5.12 Mapping business events to action types and levels

138. To facilitate the implementation, ESMA is proposing in Table 8 a mapping between the business events that take place in through the life-cycle of an SFT and the action types that are defined in the TS on reporting.
139. Additional guidance on the sequence between the action types is included in section 5.11. Some market participants consider that each business event requires a specific action type, useful as an alternative to be able to process modifications to the current / latest loan value, market value, quantity / nominal, collateral amount, fee/rebate rate. However, this suggestion was discarded during the consultation process of the TS on reporting, specifically because it (i) would have created greater complexity for reporting, (ii) deviated from the EMIR reporting processes, which had to be followed as per the mandate under SFTR and (iii) it would have furthermore required the reconciliation of the specific reports, not of the SFT itself. It is worth noting that at this stage no additional action types can be included in the TS on reporting, therefore the ones included in the TS should be used by counterparties when they report SFTs and the relevant business events pertaining to those.
140. Business lifecycle events for the different types of SFTs should be reported with the following Action Types:

Table 5 - Mapping business events to action types and levels				
Business / trade event	Type of SFT	Applicable XML message	Reportable action type	Reportable Level
Backloading	All	Table 1 and Table 2	NEWT	TCTN / PSTN
Conclusion	All	Table 1 and Table 2	NEWT or POSC	TCTN / PSTN
Counterparty default or settlement fail	All	Table 1 and 2	ETRM	TCTN / PSTN
Allocation of securities to loan(s)	SLB	Table 1 and Table 2	NEWT or POSC	TCTN
Allocation of commodities to loan(s)	SLB	Table 1 and Table 2	NEWT or POSC	TCTN
Change of allocation ahead of settlement	All	Table 1 and Table 2	EROR + NEWT	TCTN

Table 5 - Mapping business events to action types and levels

Business / trade event	Type of SFT	Applicable XML message	Reportable action type	Reportable Level
Substitution of Collateral	All	Table 1 and Table 2	COLU	-
Change in collateral quality	All	Table 1 and Table 2	COLU	-
Change in cash collateral amount or currency	Repo, SLB	Table 1 and Table 2	COLU	-
Default of the collateral issuer	All	ALL	COLU or ETRM	- TCTN / PSTN
Variation margining in non-CCP cleared SFTs	All	Table 1 and Table 2	COLU	TCTN / PSTN
Variation margining by CCP in CCP-cleared SFTs	Repo, BSB, SLB	Table 3	MARU	
Re-rating (fixed rate and spread)	Repo, BSB	Table 1 and Table 2	MODI	TCTN
Extension	Repo	Table 1 and Table 2	MODI	TCTN
Elimination of termination optionality	Repo	Table 1 and Table 2	MODI	TCTN
Partial termination	All	Table 1 and Table 2	MODI	TCTN / PSTN
Partial returns	All	Table 1 and Table 2	MODI	TCTN / PSTN
Flat margin loan and/or short market value	ML	Table 1 and Table 2	MODI	-

Table 5 - Mapping business events to action types and levels

Business / trade event	Type of SFT	Applicable XML message	Reportable action type	Reportable Level
Change in outstanding margin loan or short market value	ML	Table 1 and Table 2	MODI	-
New base currency used for margin loan	ML	Table 1 and Table 2	MODI	-
Additional base currency used for margin loan	ML	Table 1 and Table 2	NEWT	
Clearing off-venue	All	Table 1 and Table 2	ETRM + NEWT	TCTN / PSTN
Close-out of open repo	Repo	Table 1 and Table 2	MODI	TCTN
Maturity/Expiration	All	Table 1 and Table 2	-	-
Valuation of securities on loan	SLB	Table 1 and Table 2	VALU	-
Valuation of securities used as collateral	All	Table 1 and Table 2	COLU	-
Haircut or margin renegotiation	Repo, SL	Table 1 and Table 2	MODI	TCTN / PSTN
Initial posting of margin to a CCP for cleared SFTs	All	Table 3	NEWT	-
Update of the initial margin posted at the CCP	All	Table 3	MARU	-
Variation margining with the CCP	All	Table 3	MARU	-
Reuse of collateral, reinvestment of cash collateral	All	Table 4	NEWT	-

Table 5 - Mapping business events to action types and levels

Business / trade event	Type of SFT	Applicable XML message	Reportable action type	Reportable Level
Update in estimated reuse or value of reused collateral	All	Table 4	REUU	-
Change in cash collateral reinvestment type, amount or currency	SLB	Table 4	REUU	-

Q27. Do you agree with the proposed mapping between business events and action types? Are there any additional business events that should be included? Please detail the reasons for your answer.

Q28. Are there any other relationships that would need to be defined? If so, please detail which ones.

5.13 Determining counterparty side

5.13.1 General case

141. Article 4 of the ITS on reporting establishes the linkages between the loan and collateral for each type of SFTs and the determination of the counterparty side.

142. In the case of repos or BSBs, the buyer is the collateral taker, while the seller is the collateral provider.

143. In the case of SLB or SFTs involving commodities, the lender is the collateral taker, while the borrower is the collateral provider.

144. In the case of margin loans, the lender is the collateral taker, while the borrower is the collateral provider.

Q29. Is there any aspect not covered by the ITS on reporting that would require further clarification? Please detail the reasons for your response.

5.13.2 CCP-cleared SFTs

145. In the case of CCP-cleared SFTs, the CCP interposes itself between the two counterparties to the SFT. Therefore, it will be buyer to the seller, borrower to the lender, seller to the buyer and lender to the borrower.

146. Subsequently, the determination of the side should be performed in accordance with Article 4 of ITS on reporting.



Q30. Do you agree with the proposed approach for reporting of counterparty side in the case of CCP-cleared SFTs? Please detail the reasons for your response.

5.13.3 Reporting of unsecured lending/borrowing of securities

147. In the case of unsecured lending and borrowing of securities, there is no transfer of collateral. Notwithstanding this, the terminology included in the TS on reporting is of general application, also in this case.

148. Therefore, the counterparty that lends the securities should report itself as collateral taker and the counterparty that borrows the securities should report itself in field 1.9 as collateral provider.

Q31. Do you agree with the proposed approach to determine which side of a transaction is the collateral provider and which is the collateral taker for unsecured lending/borrowing of securities? Please detail the reasons for your response.

5.14 Price and value fields

149. This section aims to provide guidance for the reporting fields that concern price, currency and valuation of the collateral or loan side of the trades. Various problems might arise due to a different understanding or source, leading to possible reconciliation issues.

5.14.1 Loan side in securities lending

150. In SLB transactions, the loan side of the trade involves a security which needs to be valued consistently by the reporting counterparties. The “Security or commodity price” (field 2.49) should be reported in the original currency at which the transaction was agreed between the counterparties. The currency must be specified in “Price currency” (field 2.50). The security price should not include “Haircut or margin” (field 2.89), which only applies to the collateral side of the trade. Any margin, add-on or discount that might apply to the security on the loan side of the trade should be included in field 2.49, i.e. the final price agreed between the counterparties for the transaction to take place.

Q32. Please indicate how frequently is a haircut, margin or any other type of discount/add-on, applied to the loan side of SLB?

Q33. Do you agree with the proposed approach? Please detail the reasons for your response.

151. Regarding “Quantity or nominal amount” (field 2.46), a nominal amount should only be reported for bonds. The nominal amount should be reported in local currency, which is to be specified in “Currency of nominal amount” (field 2.48). Other securities should be reported as a quantity, which implies that “Currency of nominal amount” (field 2.48) must be left empty.

152. Loan value is calculated as:

Loan value (field 2.56) =



*Quantity or nominal amount (field 2.46) * Security or commodity price (field 2.49)*

This means that the gross loan value should be reported in local currency, excluding the “Haircut or margin” % (field 2.89).

153. Input from the industry suggests that “Market value” (field 2.57) might be problematic. To calculate this, market participants rely on the market price of the security which is denominated in the local currency of the security. However, the currency of the loan and of the security can sometimes differ. This implies that a currency conversion would be required in order to report both “Loan value” (field 2.56) and “Market value” (field 2.57) in the same “Price currency” (field 2.50).
154. The reporting of “Market value” (field 2.57) is essential to understand how the loan-side exposure arising from an SFT is collateralized. Furthermore, this field is subject to reconciliation. Counterparties should agree, to the extent possible, on the market value and report it accordingly. Authorities need to be aware when using this information that deviations may be expected. Moreover, while loan value would be based on a price that includes any add-on or discount for the loan side of the trade agreed between the counterparties, the market value would not, which may lead to issues with the interpretation of the data.
155. There may be instances in which the valuation of the securities on loan (or the securities used as collateral) is not possible, reflecting the unavailability of price information. This is the case for example with suspended shares, or some fixed-income securities in illiquid market segments. Upon the conclusion of SFTs that involve the use of such securities, counterparties should report the valuation that has been contractually agreed. If new price information becomes available, valuation updates should be reported by both counterparties provided that the relevant margining requirements also reflect the updated information.

Q34. Do you agree with the proposed approach? Please detail the reasons for your response.

5.14.2 Timing of valuations

156. Another essential aspect of the valuations is their timelines. The market value of the securities should be reported as at close of business of each business day, reflecting the valuation used for collateral management purposes, e.g. to calculate daily variation margin.
157. To make the reporting simpler, the counterparties should report the market value of their SFTs using the market prices and FX rates that those counterparties have used during the course of that business day for exposure management purposes. For securities lending transactions, this would generally mean that the market values reported as at close of business on any given day would be reported using the closing prices of the securities as of the previous business day.



158. As counterparties are expected to report valuations allowing for a reconciliation of the reports, this proposed approach would enable them to identify and fix any bad / erroneous market prices / FX rates in their own systems before they are used to calculate an updated market value to be reported to a trade repository.
159. In addition, if valuations for two different days are provided, the counterparties should populate accordingly field Event date (2.3). For more details regarding the reporting of Event date please refer to the section 6.2.2.2 .
160. Counterparties should use as appropriate the currency xml tags for all the price fields to correctly identify the relevant value and amount fields, more importantly when they are in different currency. Please also refer to the example in section 6.2.1.8.
- Q35. Do you agree with the proposed approach on timing and use of FX rates? Please detail the reasons for your response.**

5.14.3 Calculation method for valuations

161. The technical standards require counterparties to provide market valuations for reportable SFTs and the related collateral. When there is no market value available, SFTR does not prescribe any specific method for calculating these valuations. Nevertheless, the data reported under fields 2.57 and 2.88 is reconcilable data, therefore the counterparties should report values that are within the accepted limits of tolerance difference, as detailed in the Annex to the RTS on data validation.
- Q36. Does ESMA need to provide additional guidance on the reporting of the valuation fields? Please detail the reasons for your response.**

5.15 Reporting of CFI for a security used as collateral

162. When a security is used as collateral the CFI code of that security should be reported in field 79 of the table on Loan and Collateral data. This field does not apply to commodities.
163. Counterparties should always use official sources for the CFI. To ensure that CFI is always reported as a six-character code, in the event that a character is not applicable to the given class of financial instrument, reporting counterparties should report an 'X' in that character's place in order to ensure that reporting is consistently performed, as assigned by the relevant NNA. This is also in line with the ISO 10962:2015 standard which specifies that "X" stands for "not applicable/undefined". For instance, an equity instrument in the miscellaneous category will be classified as -E-M-X-X-X-*¹⁴, as the first, second and third attributed, pertaining to voting right, ownership and payment status respectively, will not be applicable to it and where the * will be replaced by B, R M or N, when reported to the TR. Similarly, in the case of money market instruments, the third attribute under the CFI, relating to redemption/reimbursement, will not be

¹⁴ In the CFI methodology, the "*" is used to denote the place where an allowable value needs to be included. In this specific case the allowable values are B, R, N and M. The * is used in the rest of the document as example, however whenever reporting the CFI, counterparties should always report the complete six-character CFI code.



applicable, hence the instrument will be classified as -D-Y-F-*-X-* and the first * will be replaced by one of the following letters – T, G, S, U, P, N, O, Q, J or C - and the second one will be replaced by B, R, N or M. Counterparties should report only valid CFIs.

Q37. Do you have any remarks concerning the reporting of CFI? What other aspects need to be clarified to ensure that reporting is consistently performed? Please detail the reasons for your response.

5.16 Backloading

164. SFTR provides that the reporting obligation applies to SFTs concluded before the date of application (which is determined by the type of reporting counterparty) which remain outstanding on that date if their remaining maturity exceeded 180 days, or the SFT had an open maturity and remained outstanding 180 days after the date of application, i.e. Reporting Start Date (RSD)+180.
165. With this in mind, some historical SFTs must be back-loaded by reporting counterparties within 190 days of the relevant date of application.
166. ESMA recognises the need to ensure that the reporting of SFTs is done in an efficient manner which (i) enables authorities to receive all the necessary information required to fulfil their mandates and (ii) which ensures that reporting counterparties or the entities responsible for reporting are in possession of all the information required for reporting. ESMA has considered the most appropriate approach to the SFTR back-loading requirement.
167. In case all fixed-term and open SFTs executed prior to relevant application date of the regulation which are still live at the date of application are reported on that date regardless of whether they meet the requirements of SFTR for transactions to be back-loaded, the only additional burden for reporting counterparties or the entities responsible for reporting will be the retrieval of data for these SFT.
168. This approach may also allow authorities to greater information in relation to variation margin, as it is calculated by looking at the net exposure across multiple open transactions, some of which otherwise may not have been reported if the more restrictive approach prescribed in the level one regulation was followed. In addition, the collateral update reports would be required from the date of application, and these updates would be more useful if they could be considered alongside the original transaction reports which they related to, as would be the study of terminations and modifications.
169. ESMA recognises the potential burdens associated with this approach, primarily the increased number of transactions which would need to be reported (including those with less than 180 days to maturity), and secondly the one linked to the reporting of the modification and termination of pre-RSD (reporting start date) open repos during the period from RSD to RSD+180.
170. However, from a counterparty's perspective these burdens may not be significant when compared to the work required to distinguish between the historic transactions to determine whether they need to be reported, there would be no requirement to conduct

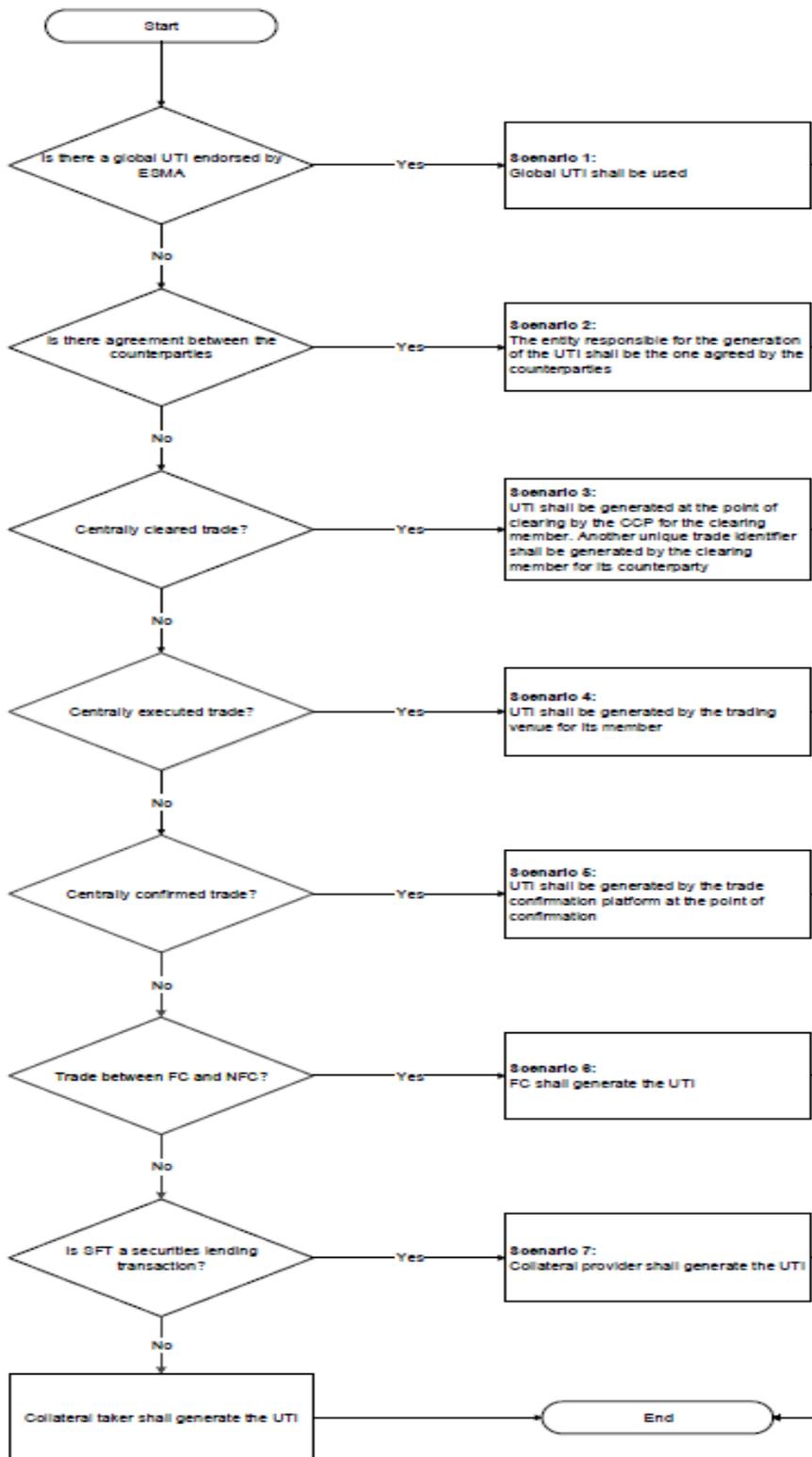


back-runs of data to determine the relevant transactions from CCPs, funds and non-financials for example.

171. ESMA understands that for a full reporting of backloaded SFTs at RSD to happen:
- a. in case RSD for the other counterparty has not yet kicked in, the reporting counterparty or the entity responsible for reporting reports its side of all the SFTs; or
 - b. in case they are both covered by the RSD, both counterparties agreed to report this way.
172. When the SFTs are backloaded for the first time, only the state at the time of reporting should be reported. The previous lifecycle events should not be reported separately.
- Q38. Do you agree with the approach for back-loading? What other aspects have to be considered to make the reporting of backloaded SFTs more efficient for counterparties and TRs, i.e. the costs of this approach are minimised and also the usefulness of the reports submitted going forward is maximised? Please detail the reasons for your response.**

5.17 UTI generation and structure

173. The technical standards include specific rules aligned to those in the revised draft ITS on reporting under Article 9 of EMIR in relation to generating an UTI.
174. There is also a flowchart included in the Final Report (included in the following page) representing the process for generating a UTI.



175. Some stakeholders have requested additional guidance in relation to various scenarios which may impact the generation of a UTI.



176. In the case of cleared SFTs, each of the SFTs between the CCP and its clearing members, and between the clearing members and their clients, will need to be reported with different UTIs.
177. It is worth noting that the agreement on the UTI between the counterparties is in practice the fall-back option under the framework provided in the technical standards, as most of the entities rely on the waterfall for UTI generation.
178. In the case of open term SFTs, the counterparties should retain the initially generated UTI for that SFT and should not re-generate a new one on each renewal.
179. Stemming from the RTS, the non-generating counterparty should be able to ingest in its systems or in the systems of the entity responsible for reporting or the report submitting entity the UTI communicated by the counterparty that generated it.
- Q39. What other aspects with regards to the UTI have to be clarified? Please detail the reasons for your response.**

5.18 Identifying and reporting on beneficiaries

180. Where the beneficiary is different from the counterparty to the SFT, it should be reported in accordance with the RTS on reporting.
181. A usual case, but there might be others, are the umbrella and sub-fund structures, where the umbrella fund is the counterparty, and the sub-fund or sub-funds are the beneficiaries. In some cases, as the ones identified in paragraph 53, sub-funds might be counterparties.
- Q40. Are there any other instances that need to be clarified? Please elaborate on the reasons for your response.**

5.19 Identification of issuer of securities and securities

182. Counterparties should report the LEI of the issuer(s) of the securities lent or borrowed, the LEI of the issuer(s) of the securities used as collateral as well as the ISINs of the securities. Identification of the issuer is essential for the correct monitoring of financial stability, leverage and risks in the financial system. In most of the case, specifically with regards to EU securities, the information on the issuer is typically available to counterparties given other applicable EU legislation that requires issuers of financial instruments admitted to trading or traded in the EU to obtain an LEI.
183. It is worth noting that in April 2019 the Global Legal Entity Identifier Foundation (GLEIF) and Association of National Numbering Agencies (ANNA) started to publish an open-source database containing the ISINs and the corresponding LEIs of the issuers. The daily ISIN-to-LEI relationship files, currently (as of May 2019) include new ISINs issued by early mover national numbering agencies (NNAs). It is expected that other NNAs will join the program going forward. Altogether, there are 116 NNAs responsible for



issuing ISINs.¹⁵ This should further facilitate obtaining the information concerning the issuer of a security.

184. At the same time, certain securities used as collateral in transactions reportable under the SFTR requirements, might belong to issuers that are not subject to the EU rules obliging them to obtain LEIs. This is specifically the case with some securities not admitted to trading or traded in the EU. Similarly, it is understood that there are some instances in which a security cannot be indentified with an ISIN. In order to provide the appropriate guidance on compliance with SFTR reporting requirements in respect of identification of such issuers in SFT reports to TRs, it is imperative to estimate the relative volume of transactions for which issuer's LEI (of securities used as collateral) or ISIN of the security is not available in principle.

Q41. Please provide the relative volume of transactions for which issuer's LEI (of securities used as collateral) or ISIN is not available in principle.

5.20 Reporting in the phased-in period

185. Article 33(2)(a) sets out a staggered approach to the reporting start date. This is expected to facilitate the implementation of the reporting by entities that are not as frequent users of SFTs, such as the NFCs.

186. Therefore, in this interim period, the SFTs that are concluded between two counterparties, one for which the reporting obligation has kicked in and another one for which it has not, cannot be reconciled, as they are reported only by one of the counterparties.

187. The counterparties for which the reporting obligation has not yet started should provide to counterparty for which the reporting obligation has commenced with all the relevant information in accordance with the TS on reporting.

188. Should the non-banking counterparties find it easier, they could start reporting in advance of the relevant reporting start date indicated in Article 33(2)(a) SFTR.

Q42. Do you agree with this approach? What other aspects need to be considered? Please elaborate on the reasons for your response.

6 SFTR Tables of fields

189. Article 1(1) RTS on reporting provides that "A report made pursuant to Article 4(1) of Regulation (EU) 2015/2365 shall include the complete and accurate details set out in Tables 1, 2, 3 and 4 of the Annex that pertain to the SFT concerned." The use cases included in sections 6.1, 6.2, 6.3, and 6.4 do not necessarily include all the fields that pertain to the SFT concerned, but they focus on specific sections of data fields in order to provide more granular and detailed guidance on the reporting without any unnecessary repetition or inclusion of other data elements.

¹⁵ For more information and for the content of database please access: <https://www.gleif.org/en/lei-data/lei-mapping/download-isin-to-lei-relationship-files/>



- 190. The validation rules contain the complete guidance on applicable fields per SFT type, Action type and Level, as well as the relevant dependencies.
- 191. The following sections include various scenarios and corresponding tables clarifying how these scenarios should be reported. Each table shows the reporting fields under the SFTR technical standards. The column 'Field' shows each field name, and the column 'Example' provides an example of what would be included in that field. The final column entitled 'XML Message' shows the format of the XML message which should be submitted in the trade report.
- 192. Unless otherwise stated in the specific scenario, the following background information applies to all scenarios set out in Section 6:

Counterparty A is a financial counterparty identified with LEI 12345678901234500000

Counterparty B is a financial counterparty identified with LEI ABCDEFGHIJKLMNOPQRST

Counterparty C is a SME-NFC identified with LEI 123456789ABCDEFGHIJK

Counterparty D identified with LEI 11223344556677889900

Broker E is identified with LEI 88888888888888888888

Agent lender F is identified with LEI BBBBBBBBBBBBBBBBBBBBBB

Triparty agent G is identified with LEI 77777777777777777777

Custodian bank H is identified with LEI AAAAAAAAAAAAAAAAAAAAAA

Third party I offers reporting services and is identified with LEI 12345123451234512345

Counterparty J acts also as a clearing member and is identified with LEI CCCCCCCCCCCCCCCCCCCC

UCITS fund K is identified with LEI UUUUUUUUUU1111111111, whereas UCITS management company L is identified with LEI UUUUUUUUUU2222222222

AIF M is identified with LEI AAAAAAAAAA1111111111 whereas AIF management company N is identified with LEI AAAAAAAAAA2222222222

CCP O is identified with LEI BBBBBBBBBB1111111111

The German securities issuer is identified with LEI SSSSSSSSSSSSSSSSSSSS

The Spanish securities issuer is identified with LEI EEEEEEEEEEEEEEEEEEEE

The French securities issuer is identified with LEI FFFFFFFFFFFFFFFFFFFF

A general securities issuer is identified with GGGGGGGGGGGGGGGGGGGG



Trading Venue P is identified with MIC XWAR

Securities are identified with the following ISINs:

- a. German Bonds (Vanilla): DE0010877643
- b. Spanish perpetual bonds: ES0010877643
- c. Equities: EO0010877643
- d. French main index equities: FR0010877643
- e. Others: NL0010877643
- f. Collateral basket: GB00BH4HKS39
- g. Collateral component 1: IT00BH4HKS39
- h. Collateral component 2: FR00BH4HKS39

Securities are classified with the following CFIs:

- i. Government vanilla bond: DB*TF*¹⁶
- j. Government perpetual bond: DB*TP*
- k. Equities: E*****
- l. Other securities not listed int field 2.55 of the ITS: CI****
- m. General:*****

6.1 Table 1 Counterparty data

193. This section of the guidelines details the population of the counterparty data section for several different use cases. The applicability of the use cases to the different types of SFTs is included. The actual reporting in accordance with the ISO 20022 XML schemas is provided too.

194. When there are use cases that cover two or more of the use cases included below, the reporting counterparties or the entities responsible for reporting should include all the relevant details based on the below guidance.

Table 6 – Use cases				
	Repo and reverse repo	BSB / SBB	Securities and commodities lending	Margin lending

¹⁶ The * is used in the rest of the document as example, however whenever reporting the CFI, counterparties should always report the complete six-character CFI code.

Non-cleared bilateral SFT between headquarters	Y	Y	Y	Y
Non-cleared bilateral SFT between branches	Y	Y	Y	Y
Non-cleared bilateral SFT with beneficiaries	Y	Y	Y	N
Non-cleared SFT with brokers, settled with a custodian bank	Y	Y	Y	N
Non-cleared SFT with broker, agent lender and tri-party agent	Y	Y	Y	N
Non-cleared SFT with broker, agent lender and tri-party agent, settled with a CSD participant different from any of the entities and voluntary delegation of reporting to a third party	Y	Y	Y	N
Cleared SFT with broker, agent lender, tri-party agent	Y	Y	Y	N
Cleared SFT with broker, agent lender, tri-party agent settled with a CSD participant different from any of the entities and voluntary delegation of reporting to a third party	Y	Y	Y	N
Non-cleared SFTs concluded by UCITS fund	Y	Y	Y	Y
Non-cleared SFTs concluded by AIF	Y	Y	Y	Y
Non-cleared SFTs where fund portfolio management is outsourced	Y	Y	Y	Y

Q43. Do you believe there are other use cases that need to be further defined in this subsection? Do you agree with the applicability of those use cases to the



different types of SFTs as outlined above? Please detail the reasons for your answers.

6.1.1 Non-cleared bilateral SFTs between headquarters

195. The below table shows which types of securities financing transactions can be conducted purely bilaterally between two headquarters.

Table 7 – SFTs to which the use case applies			
Repo and reverse repo	Buy sell back/sell buy-back	Securities and commodities lending	Margin lending
Y	Y	Y	Y

196. Table 8 illustrates reporting for a bilateral transaction where the reporting counterparty (counterparty A) is also submitting its reports (i.e. there is not a separate report submitting entity). The counterparty A is also the beneficiary to this transaction.

TABLE 8 - Non-cleared bilateral SFTs between headquarters			
No	Field	Example	XML Message
1	Reporting timestamp	2021-02-01T15:15:15Z	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> <RptgDtTm>2021-02-0115:15:15Z</RptgDtTm> <RptSubmitgNtty> <LEI>12345678901234500000</LEI> </RptSubmitgNtty> <CtrPtyData> <RptgCtrPty> <Id> <LEI>12345678901234500000</LEI> </Id> <Ntr> <FI> <Clssfctn>CDTI</Clssfctn> </FI> </Ntr> <Sd>GIVE</Sd> </RptgCtrPty> <OthrCtrPty> <Id> <LEI>ABCDEFGHJKLMNOPQRST</LEI> </Id> </OthrCtrPty> </CtrPtyData> </SctiesFincgRptgTxRpt> </pre>
2	Report submitting entity	{LEI} of counterparty A	
3	Reporting counterparty	{LEI} of counterparty A	
4	Nature of the reporting counterparty	F	
5	Sector of the reporting counterparty	CDTI	
6	Additional sector classification		
7	Branch of the reporting counterparty		
8	Branch of the other counterparty		
9	Counterparty side	GIVE	

TABLE 8 - Non-cleared bilateral SFTs between headquarters			
No	Field	Example	XML Message
10	Entity responsible for the report	{LEI} of counterparty A	<pre> <CtryCd>FR</CtryCd> </OthrCtrPty> <NttyRspnsblForRpt> <LEI>12345678901234500000</LEI> </NttyRspnsblForRpt> <TxSpfcData> <RpTrad> <SttlmPties> <CntrlSciesDpstryPtcpt>12345678901234500000</CntrlSciesDpstryPtcpt> </SttlmPties> </RpTrad> </TxSpfcData> </CtrPtyData> </CtrPtyData> <LnData> ... </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SciesF </pre>
11	Other counterparty	{LEI} of counterparty B	
12	Country of the other Counterparty	FR	
13	Beneficiary		
14	Tri-party agent		
15	Broker		
16	Clearing member		
17	Central Securities Depository ('CSD') participant or indirect participant	{LEI} of counterparty A	
18	Agent lender		

6.1.2 Non-cleared bilateral SFT between branches

TABLE 9 – SFTs to which the use case applies			
Repo and reverse repo	Buy sell back/sell buy-back	Securities and commodities lending	Margin lending
Y	Y	Y	Y

197. Table 10 shows an example of reporting of a bilateral transaction concluded between branches of two counterparties. The legal entities (headquarters) are identified with respective LEIs, whereas the countries of the branches are identified with ISO country codes.

Table 10 - Non-cleared bilateral SFT between branches			
No	Field	Example	XML Message

Table 10 - Non-cleared bilateral SFT between branches

No	Field	Example	XML Message
1	Reporting timestamp	2020-01-01T15:15:15Z	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> <RptgDtTm>2020-01- 0115:15:15Z</RptgDtTm> <RptSubmitgNtty> <LEI>12345678901234500000</LEI> </RptSubmitgNtty> <CtrPtyData> <RptgCtrPty> <Id> <LEI>12345678901234500000</LEI> </Id> <Ntr> <FI> <Clssfctn>CDTI</Clssfctn> </FI> </Ntr> <Brnch> <Ctry>FR</Ctry> </Brnch> <Sd>GIVE</Sd> </RptgCtrPty> <OthrCtrPty> <Id> <LEI>ABCDEFGHijklmnopqrst</LEI> </Id> <Brnch> <Ctry>DE</Ctry> </Brnch> <CtryCd>FR</CtryCd> </OthrCtrPty> <NttyRspsnblForRpt> <LEI>12345678901234500000</LEI> </NttyRspsnblForRpt> <TxSpfcData> <RpTrad> <SttlmPties> <CntrlSctiesDpstryPtcpt>12345678901234500000</C ntrlSctiesDpstryPtcpt> </SttlmPties> </RpTrad> </TxSpfcData> </CtrPtyData> </CtrPtyData> <LnData> ... </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
2	Report submitting entity	{LEI} of counterparty A	
3	Reporting counterparty	{LEI} of counterparty A	
4	Nature of the reporting counterparty	F	
5	Sector of the reporting counterparty	CDTI	
6	Additional sector classification		
7	Branch of the reporting counterparty	FR	
8	Branch of the other counterparty	DE	
9	Counterparty side	GIVE	
10	Entity responsible for the report	{LEI} of counterparty A	
11	Other counterparty	{LEI} of counterparty B	
12	Country of the other Counterparty	FR	
13	Beneficiary		
14	Tri-party agent		
15	Broker		
16	Clearing member		
17	Central Securities Depository ('CSD') participant or indirect participant	{LEI} of counterparty A	
18	Agent lender		



6.1.3 Non-cleared bilateral SFT with beneficiaries

Table 11 – SFTs to which the use case applies			
Repo and reverse repo	Buy sell back/sell buy-back	Securities and commodities lending	Margin lending
Y	Y	Y	N

198. Table 12 shows an example of a bilateral non-cleared transaction where counterparty A is not a beneficiary to the transaction. The beneficiary is the counterparty D.

Table 12 - Non-cleared bilateral SFT with beneficiaries			
No	Field	Example	XML Message
1	Reporting timestamp	2020-01-01T15:15:15Z	<pre> <SciesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> <RptgDtTm>2020-01-0115:15:15Z</RptgDtTm> <RptSubmitgNtty> <LEI>12345678901234500000</LEI> </RptSubmitgNtty> <CtrPtyData> <RptgCtrPty> <Id> <LEI>12345678901234500000</LEI> </Id> <Ntr> <FI> <Clssfctn>CDTI</Clssfctn> </FI> </Ntr> <Sd>GIVE</Sd> </RptgCtrPty> <OthrCtrPty> <Id> <LEI>ABCDEFGHIJKLMNQRST</LEI> </Id> <CtryCd>FR</CtryCd> </OthrCtrPty> <NttyRspnsblForRpt> <LEI>12345678901234500000</LEI> </NttyRspnsblForRpt> <TxSpfcData> <RpTrad> <Bnfcry> <LEI>11223344556677889900</LEI> </Bnfcry> </RpTrad> </TxSpfcData> </CtrPtyData> </New> </TradData> </SciesFincgRptgTxRpt> </pre>
2	Report submitting entity	{LEI} of counterparty A	
3	Reporting counterparty	{LEI} of counterparty A	
4	Nature of the reporting counterparty	F	
5	Sector of the reporting counterparty	CDTI	
6	Additional sector classification		
7	Branch of the reporting counterparty		
8	Branch of the other counterparty		
9	Counterparty side	GIVE	
10	Entity responsible for the report	{LEI} of counterparty A	
11	Other counterparty	{LEI} of counterparty B	
12	Country of the other Counterparty	FR	
13	Beneficiary	{LEI} of counterparty D	
14	Tri-party agent		

Table 12 - Non-cleared bilateral SFT with beneficiaries			
No	Field	Example	XML Message
15	Broker		</Bnfcry> <SttlmPties>
16	Clearing member		
17	Central Securities Depository ('CSD') participant or indirect participant	{LEI} of counterparty A	<CntrlSciesDpstryPtcpt>123456789012345000</CntrlSciesDpstryPtcpt> </SttlmPties> </RpTrad> </TxSpfcData> </CtrPtyData> </CtrPtyData> <LnData> ... </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SciesFincgRptgTxRpt>
18	Agent lender		

6.1.4 Non-cleared SFT with brokers, settled with a custodian bank

Table 13 – SFTs to which the use case applies			
Repo and reverse repo	Buy sell back/sell buy-back	Securities and commodities lending	Margin lending
Y	Y	Y	N

199. In the scenario illustrated by the Table 14, the counterparty A enters a transaction with counterparty B. Counterparty A uses a custodian bank H, which is therefore identified in the field 1.17. Furthermore, the counterparty A uses services of the broker E

Table 14 - Non-cleared SFT with brokers, settled with a custodian bank			
No	Field	Example	XML Message
1	Reporting timestamp	2020-01-0115:15:15Z	<SciesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> <RptgDtTm>2020-01-0115:15:15Z</RptgDtTm>
2	Report submitting entity	{LEI} of counterparty A	
3	Reporting counterparty	{LEI} of counterparty	

Table 14 - Non-cleared SFT with brokers, settled with a custodian bank

No	Field	Example	XML Message
		A	<RptSubmitgNtty>
4	Nature of the reporting counterparty	F	<LEI>12345678901234500000</LEI> </RptSubmitgNtty>
5	Sector of the reporting counterparty	CDTI	<CtrPtyData> <RptgCtrPty> <Id>
6	Additional sector classification		<LEI>12345678901234500000</LEI> </Id>
7	Branch of the reporting counterparty		<Ntr> <FI>
8	Branch of the other counterparty		<Clssfctn>CDTI</Clssfctn> </FI>
9	Counterparty side	GIVE	</Ntr> <Sd>GIVE</Sd>
10	Entity responsible for the report	{LEI} of counterparty A	</RptgCtrPty> <OthrCtrPty> <Id>
11	Other counterparty	{LEI} of counterparty B	<LEI>ABCDEFGHIJKLMNQRST</LEI> </Id>
12	Country of the other Counterparty	FR	<CtryCd>FR</CtryCd> </OthrCtrPty>
13	Beneficiary		<NttyRspnsblForRpt>
14	Tri-party agent		<LEI>12345678901234500000</LEI> </NttyRspnsblForRpt>
15	Broker	{LEI} of broker D	<TxSpfcData> <RpTrad>
16	Clearing member		<Brkr>88888888888888888888</Brkr> <SttlmPties>
17	Central Securities Depository ('CSD') participant or indirect participant	{LEI} of custodian bank H	<CntrlSciesDpstryPtcpt>AAAAAAAAAAAA AAAAAAAA</CntrlSciesDpstryPtcpt> </SttlmPties>
18	Agent lender		</RpTrad> </TxSpfcData> </CtrPtyData> </CtrPtyData> <LnData> ... </LnData> <CollData> ... </CollData> ... </New> </TradData> ...



Table 14 - Non-cleared SFT with brokers, settled with a custodian bank

No	Field	Example	XML Message
			</SctiesFincgRptgTxRpt>

6.1.5 Non-cleared SFT with broker, agent lender and tri-party agent

Table 15 – SFTs to which the use case applies

Repo and reverse repo	Buy sell back/sell buy-back	Securities and commodities lending	Margin lending
Y	Y	Y	N

200. In the scenario illustrated by the Table 16, the counterparty A enters a transaction with counterparty B. Counterparty A uses an agent lender F and tri-party agent G. Furthermore, the counterparty A uses services of the broker E

Table 16 - Non-cleared SFT with broker, agent lender and tri-party agent

No	Field	Example	XML Message
1	Reporting timestamp	2020-01-01T15:15:15Z	<SctiesFincgRptgTxRpt> <TradData> <New>
2	Report submitting entity	{LEI} of counterparty A	... <CtrPtyData>
3	Reporting counterparty	{LEI} of counterparty A	<RptgDtTm>2020-01-01T15:15:15Z</RptgDtTm> <RptSubmitgNtty>
4	Nature of the reporting counterparty	F	<LEI>12345678901234500000</LEI> </RptSubmitgNtty>
5	Sector of the reporting counterparty	CDTI	<CtrPtyData> <RptgCtrPty> <Id>
6	Additional sector classification		<LEI>12345678901234500000</LEI> </Id>
7	Branch of the reporting counterparty		<Ntr> <FI>
8	Branch of the other counterparty		<Clssfctn>CDTI</Clssfctn> </FI>
9	Counterparty side	GIVE	</Ntr>
10	Entity responsible for the report	{LEI} of counterparty	<Sd>GIVE</Sd> </RptgCtrPty>

Table 16 - Non-cleared SFT with broker, agent lender and tri-party agent			
No	Field	Example	XML Message
		A	<OthrCtrPty> <Id>
11	Other counterparty	{LEI} of counterparty B	<LEI>ABCDEFGHIJKLMNQRST</LEI> </Id>
12	Country of the other Counterparty	FR	<CtryCd>FR</CtryCd> </OthrCtrPty>
13	Beneficiary		<NttyRspnsblForRpt>
14	Tri-party agent	{LEI} of tri-party agent G	<LEI>12345678901234500000</LEI> </NttyRspnsblForRpt>
15	Broker	{LEI} of broker E	<TxSpfcData> <RpTrad>
16	Clearing member		<TrptyAgt>77777777777777777777</TrptyAgt>
17	Central Securities Depository ('CSD') participant or indirect participant	{LEI} of counterparty A	<Brkr> 88888888888888888888</Brkr> <StlmPties>
18	Agent lender	{LEI} of agent lender F	<CntrlSciesDpstryPtcpt>12345678901234500000</CntrlSciesDpstryPtcpt> </StlmPties> <AgtLndr>BBBBBBBBBBBBBBBBBBBB</AgtLndr> </RpTrad> </TxSpfcData> </CtrPtyData> </CtrPtyData> <LnData> ... </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SciesFincgRptgTxRpt>



6.1.6 Non-cleared SFT with broker, agent lender and tri-party agent, settled with a CSD participant different from any of the entities and voluntary delegation of reporting to a third party

Table 17 – SFTs to which the use case applies			
Repo and reverse repo	Buy sell back/sell buy-back	Securities and commodities lending	Margin lending
Y	Y	Y	N

201. In the scenario illustrated by the Table 18, the counterparty A enters a transaction with counterparty B. Counterparty A uses an agent lender F and tri-party agent G. Furthermore, the counterparty A uses services of the broker E and custodian bank H. Finally, Counterparty A delegates the reporting to a third party I.

Table 18 - Non-cleared SFT with broker, agent lender and tri-party agent, settled with a CSD participant different from any of the entities and voluntary delegation of reporting to a third party			
No	Field	Example	XML Message
1	Reporting timestamp	2020-01-0115:15:15Z	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> <RptgDtTm>2020-01- 0115:15:15Z</RptgDtTm> <RptSubmitgNtty> <LEI>12345123451234512345</LEI> </RptSubmitgNtty> <CtrPtyData> <RptgCtrPty> <Id> <LEI>12345678901234500000</LEI> </Id> </CtrPtyData> <Ntr> <FI> <Clssfctn>CDTI</Clssfctn> </FI> </Ntr> </RptgCtrPty> </CtrPtyData> </New> </TradData> </SctiesFincgRptgTxRpt> </pre>
2	Report submitting entity	{LEI} of party I	
3	Reporting counterparty	{LEI} of counterparty A	
4	Nature of the reporting counterparty	F	
5	Sector of the reporting counterparty	CDTI	
6	Additional sector classification		
7	Branch of the reporting counterparty		
8	Branch of the other counterparty		
9	Counterparty side	GIVE	
10	Entity responsible for the report	{LEI} of counterparty	

Table 18 - Non-cleared SFT with broker, agent lender and tri-party agent, settled with a CSD participant different from any of the entities and voluntary delegation of reporting to a third party

No	Field	Example	XML Message
		A	<pre> </Ntr> <Sd>GIVE</Sd> </RptgCtrPty> <OthrCtrPty> <Id> </pre>
11	Other counterparty	{LEI} of counterparty B	
12	Country of the other Counterparty	FR	<LEI>ABCDEFGHIJKLMNQRST</LEI>
13	Beneficiary		<pre> </Id> <CtryCd>FR</CtryCd> </OthrCtrPty> <NttyRspnsblForRpt> </pre>
14	Tri-party agent	{LEI} of tri-party agent G	
15	Broker	{LEI} of Broker E	<LEI>12345678901234500000</LEI>
16	Clearing member		<pre> </NttyRspnsblForRpt> <TxSpfcData> <RpTrad> </pre>
17	Central Securities Depository ('CSD') participant or indirect participant	{LEI} of custodian bank H	<TrptyAgt>77777777777777777777</TrptyAgt>
18	Agent lender	{LEI} of agent lender F	<pre> <Brkr>88888888888888888888</Brkr> <StlmPties> <CntrlSciesDpstryPtcpt> AAAAAAAAAAAAAAAAAAAAAA </CntrlSciesDpstryPtcpt> </StlmPties> <AgtLndr> BBBBBBBBBBBBBBBBBBBB </AgtLndr> </RpTrad> </TxSpfcData> </CtrPtyData> </CtrPtyData> <LnData> ... </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SciesFincgRptgTxRpt> </pre>



6.1.7 Cleared SFT with broker, agent lender, tri-party agent

Table 19 – SFTs to which the use case applies			
Repo and reverse repo	Buy sell back/sell buy-back	Securities and commodities lending	Margin lending
Y	Y	Y	N

202. Table 20 illustrates population of the reporting fields in case of a cleared SFT. The population of the fields is irrespective of the type of CCP access that the counterparty has. It should identify always the entity acting as clearing member.

203. Counterparty A accesses the CCP via clearing member J. It also uses services of broker E, agent lender F and tri-party agent G.

204. It should be noted that CCP field pertains to Table 2 (Loan and collateral data), and hence its population is covered in the section 6.2.

Table 20 - Cleared SFT with broker, agent lender, tri-party agent			
No	Field	Example	XML Message
1	Reporting timestamp	2020-01-01T15:15:15Z	<pre> <SciesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> <RptgDtTm>2020-01- 0115:15:15Z</RptgDtTm> <RptSubmitgNtty> <LEI>12345678901234500000</LEI> </RptSubmitgNtty> <CtrPtyData> <RptgCtrPty> <Id> <LEI>12345678901234500000</LEI> </Id> </CtrPtyData> <Ntr> <FI> <Clssfctn>CDTI</Clssfctn> </FI> </Ntr> <Sd>GIVE</Sd> </RptgCtrPty> <OthrCtrPty> <Id> </pre>
2	Report submitting entity	{LEI} of counterparty A	
3	Reporting counterparty	{LEI} of counterparty A	
4	Nature of the reporting counterparty	F	
5	Sector of the reporting counterparty	CDTI	
6	Additional sector classification		
7	Branch of the reporting counterparty		
8	Branch of the other counterparty		
9	Counterparty side	GIVE	
10	Entity responsible for the report	{LEI} of counterparty A	
11	Other counterparty	{LEI} of counterparty	



6.1.8 Cleared SFT with broker, agent lender, tri-party agent settled with a CSD participant different from any of the entities and voluntary delegation of reporting to a third party

Table 21 – SFTs to which the use case applies			
Repo and reverse repo	Buy sell back/sell buy-back	Securities and commodities lending	Margin lending
Y	Y	Y	N

205. Similarly to the previous example, Table 22 illustrates population of the reporting fields in case of a cleared SFT and Counterparty A accesses the CCP via clearing member J. It also uses services of broker E, agent lender F and tri-party agent G. Furthermore, in this example the transaction is settled with an entity H different from any of the counterparties and the reporting counterparty delegates the reporting to a third party I.

206. It should be noted that the population of the fields is irrespective of the type of CCP access that the counterparty has. It should identify always the entity acting as clearing member.

Table 22 - Cleared SFT with broker, agent lender, tri-party agent settled with a CSD participant different from any of the entities and voluntary delegation of reporting to a third party			
No	Field	Example	XML Message
1	Reporting timestamp	2020-01-0115:15:15Z	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> <RptgDtTm>2020-01- 0115:15:15Z</RptgDtTm> <RptSubmitgNtty> <LEI> 1234512345123451234512345</LEI> </RptSubmitgNtty> <CtrPtyData> <RptgCtrPty> <Id> <LEI>12345678901234500000</LEI> </Id> <Ntr> <FI> <Clssfctn>CDTI</Clssfctn> </FI> </Ntr> </pre>
2	Report submitting entity	{LEI} of Third party I.	
3	Reporting counterparty	{LEI} of counterparty A	
4	Nature of the reporting counterparty	F	
5	Sector of the reporting counterparty	CDTI	
6	Additional sector classification		
7	Branch of the reporting counterparty		
8	Branch of the other counterparty		
9	Counterparty side	GIVE	
10	Entity responsible for	{LEI} of	

Table 22 - Cleared SFT with broker, agent lender, tri-party agent settled with a CSD participant different from any of the entities and voluntary delegation of reporting to a third party

No	Field	Example	XML Message
	the report	counterparty A	<Sd>GIVE</Sd> </RptgCtrPty>
11	Other counterparty	{LEI} of counterparty B	<OthrCtrPty> <Id>
12	Country of the other Counterparty	FR	<LEI>ABCDEFGHIJKLMNQRST</LEI> </Id> <CtryCd>FR</CtryCd>
13	Beneficiary		</OthrCtrPty> <NttyRspnsblForRpt>
14	Tri-party agent	{LEI} of tri-party agent G	<LEI>12345678901234500000</LEI> </NttyRspnsblForRpt>
15	Broker	{LEI} of broker E	<TxSpfcData> <RpTrad>
16	Clearing member	{LEI} of counterparty J	
17	Central Securities Depository ('CSD') participant or indirect participant	{LEI} of custodian bank H	<TrptyAgt>77777777777777777777</TrptyAgt> <Brkr> 88888888888888888888</Brkr> <ClrMmb> CCCCCCCCCCCCCCCCCCCC</ClrMmb> <SttlmPties> <CntrlSciesDpstryPtcpt> AAAAAAAAAAAAAAAAAAAA</CntrlSciesDpstryPtcpt> </SttlmPties> <AgtLndr> BBBBBBBBBBBBBBBBBBBB</AgtLndr> </RpTrad> </TxSpfcData> </CtrPtyData> </CtrPtyData> <LnData> ... </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SciesFincgRptgTxRpt>
18	Agent lender	{LEI} of agent lender F	



6.1.9 Non-cleared SFTs concluded by UCITS fund

Table 23 – SFTs to which the use case applies			
Repo and reverse repo	Buy sell back/sell buy-back	Securities and commodities lending	Margin lending
Y	Y	Y	Y

207. Table 24 shows reporting of an SFT concluded by UCITS fund K. In accordance with the article 4.3 of SFTR the UCITS management company L is responsible for reporting on behalf of the UCITS, therefore it is identified in both fields “2.2” Report submitting entity and “2.10” Entity responsible for reporting.

Table 24 - Non-cleared SFTs concluded by UCITS fund			
No	Field	Example	XML Message
1	Reporting timestamp	2020-01-01T15:15:15Z	<pre> <SciesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> <RptgDtTm>2020-01-01T15:15:15Z</RptgDtTm> <RptSubmitgNtty> <LEI>UUUUUUUUUUU2222222222</LEI> </RptSubmitgNtty> <CtrPtyData> <RptgCtrPty> <Id> <LEI> UUUUUUUUUUU1111111111</LEI> </Id> <Ntr> <FI> <Clssfctn>UCIT</Clssfctn> </FI> </Ntr> <Sd>GIVE</Sd> </RptgCtrPty> <OthrCtrPty> <Id> <LEI>ABCDEFGHJKLMNOPQRST</LEI> </Id> </OthrCtrPty> </CtrPtyData> </New> </TradData> </SciesFincgRptgTxRpt> </pre>
2	Report submitting entity	{LEI} of UCITS management company L	
3	Reporting counterparty	{LEI} of UCITS K	
4	Nature of the reporting counterparty	F	
5	Sector of the reporting counterparty	UCIT	
6	Additional sector classification		
7	Branch of the reporting counterparty		
8	Branch of the other counterparty		
9	Counterparty side	GIVE	
10	Entity responsible for the report	{LEI} of UCITS management company L	
11	Other counterparty	{LEI} of counterparty B	

Table 24 - Non-cleared SFTs concluded by UCITS fund			
No	Field	Example	XML Message
12	Country of the other Counterparty	FR	<pre> <CtryCd>FR</CtryCd> </OthrCtrPty> <NttyRspnsblForRpt> <LEI> UUUUUUUUUUU2222222222</LEI> </NttyRspnsblForRpt> <TxSpfcData> <RpTrad> <StlmPties> </pre>
13	Beneficiary		
14	Tri-party agent		
15	Broker		
16	Clearing member		
17	Central Securities Depository ('CSD') participant or indirect participant	{LEI} of custodian bank H	
18	Agent lender		<pre> <CntrlSciesDpstryPtcpt>AAAAAAAAAAAA AAAAAAAA</CntrlSciesDpstryPtcpt> </StlmPties> </RpTrad> </TxSpfcData> </CtrPtyData> </CtrPtyData> <LnData> ... </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SciesFincgRptgTxRpt> </pre>

6.1.10 Non-cleared SFTs concluded by UCITS fund, and the UCITS management company delegates reporting to a third party

Table 25 – SFTs to which the use case applies			
Repo and reverse repo	Buy sell back/sell buy-back	Securities and commodities lending	Margin lending
Y	Y	Y	Y

208. Table 26 shows reporting of an SFT concluded by UCITS fund K. In accordance with the article 4.3 of SFTR the UCITS management company L is responsible for reporting on behalf of the UCITS, therefore it is identified in field 2.10 "Entity responsible for



reporting”, however decides to delegate to a third party which is included in field 2.2 “Report submitting entity”.

Table 26 - Non-cleared SFTs concluded by UCITS fund			
No	Field	Example	XML Message
1	Reporting timestamp	2020-01-01T15:15:15Z	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> <RptgDtTm>2020-01-0115:15:15Z</RptgDtTm> <RptSubmitgNtty> <LEI> 12345123451234512345</LEI> </RptSubmitgNtty> <CtrPtyData> <RptgCtrPty> <Id> <LEI> UUUUUUUUUUU1111111111</LEI> </Id> <Ntr> <FI> <Clssfctn>CDTI</Clssfctn> </FI> </Ntr> <Sd>GIVE</Sd> </RptgCtrPty> <OthrCtrPty> <Id> <LEI>ABCDEFGHJKLMNOPQRST</LEI> </Id> <CtryCd>FR</CtryCd> </OthrCtrPty> <NttyRspnsblForRpt> <LEI> UUUUUUUUUUU2222222222</LEI> </NttyRspnsblForRpt> <TxSpfcData> <RpTrad> <StlmPties> <CntrlSctiesDpstryPtcpt>AAAAAAAAAAAA AAAAAAAAA</CntrlSctiesDpstryPtcpt> </StlmPties> </RpTrad> </TxSpfcData> </CtrPtyData> </CtrPtyData> </pre>
2	Report submitting entity	{LEI} of entity I	
3	Reporting counterparty	{LEI} of UCITS K	
4	Nature of the reporting counterparty	F	
5	Sector of the reporting counterparty	UCIT	
6	Additional sector classification		
7	Branch of the reporting counterparty		
8	Branch of the other counterparty		
9	Counterparty side	GIVE	
10	Entity responsible for the report	{LEI} of UCITS management company L	
11	Other counterparty	{LEI} of counterparty B	
12	Country of the other Counterparty	FR	
13	Beneficiary		
14	Tri-party agent		
15	Broker		
16	Clearing member		
17	Central Securities Depository ('CSD') participant or indirect participant	{LEI} of custodian bank H	
18	Agent lender		

Table 26 - Non-cleared SFTs concluded by UCITS fund			
No	Field	Example	XML Message
			<pre> <LnData> ... </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

6.1.11 Non-cleared SFTs concluded by AIF

Table 27 – SFTs to which the use case applies			
Repo and reverse repo	Buy sell back/sell buy-back	Securities and commodities lending	Margin lending
Y	Y	Y	Y

209. Table 28 shows reporting of an SFT concluded by AIF fund M. In accordance with the article 4.3 of SFTR the AIF management company N is responsible for reporting on behalf of the AIF, therefore it is identified in both fields 2.2 “Report submitting entity” and 2.10 “Entity responsible for reporting”.

Table 28 - Non-cleared SFTs concluded by AIF			
No	Field	Example	XML Message
1	Reporting timestamp	2020-01-01T15:15:15Z	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> <RptgDtTm>2020-01-0115:15:15Z</RptgDtTm> <RptSubmitgNtty> <LEI> AAAAAAAAAAAA2222222222</LEI> </pre>
2	Report submitting entity	{LEI} of AIF management company N	
3	Reporting counterparty	{LEI} of AIF M	
4	Nature of the reporting counterparty	F	

Table 28 - Non-cleared SFTs concluded by AIF

No	Field	Example	XML Message
5	Sector of the reporting counterparty	AIFD	</RptSubmitgNtty> <CtrPtyData>
6	Additional sector classification		<RptgCtrPty> <Id> <LEI>
7	Branch of the reporting counterparty		AAAAAAAAAAAA1111111111</LEI> </Id>
8	Branch of the other counterparty		<Ntr> <FI>
9	Counterparty side	GIVE	<Clssfctn>CDTI</Clssfctn> </FI>
10	Entity responsible for the report	{LEI} of AIF management company N	</Ntr> <Sd>GIVE</Sd>
11	Other counterparty	{LEI} of counterparty B	</RptgCtrPty> <OthrCtrPty> <Id>
12	Country of the other Counterparty	FR	<LEI>ABCDEFGHIJKLMN</LEI> </Id> <CtryCd>FR</CtryCd>
13	Beneficiary		</OthrCtrPty>
14	Tri-party agent		<NttyRspnsblForRpt>
15	Broker		<LEI>AAAAAAAAAAAA2222222222</LEI>
16	Clearing member		</NttyRspnsblForRpt> <TxSpfcData>
17	Central Securities Depository ('CSD') participant or indirect participant	{LEI} of custodian bank H	<RpTrad> <SttlmPties>
18	Agent lender		<CntrlSctiesDpstryPtcpt>AAAAAAAAAAAA AAAAAAAA</CntrlSctiesDpstryPtcpt> </SttlmPties> </RpTrad> </TxSpfcData> </CtrPtyData> </CtrPtyData> <LnData> ... </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt>



6.1.12 Non-cleared SFTs where fund portfolio management is outsourced

210. Under SFTR there is no specific emphasis on the investment decision-making and execution. Therefore, in the case of outsourcing of the portfolio management to a different entity from the asset manager, that entity should only be reported as broker, in case it acts as such. Otherwise this entity, similarly to other entities which might participate directly or indirectly in the SFT, will not be reported in any field
211. In the scenario illustrated in the Table 30, portfolio management of the AIF M is delegated to another entity which does not act as a broker.

Table 29 – SFTs to which the use case applies			
Repo and reverse repo	Buy sell back/sell buy-back	Securities and commodities lending	Margin lending
Y	Y	Y	Y

Table 30 - Non-cleared SFTs where fund portfolio management is outsourced			
No	Field	Example	XML Message
1	Reporting timestamp	2020-01-01T15:15:15Z	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> <RptgDtTm>2020-01-0115:15:15Z</RptgDtTm> <RptSubmitgNtty> <LEI> AAAAAAAAAA2222222222</LEI> </RptSubmitgNtty> <CtrPtyData> <RptgCtrPty> <Id> <LEI> AAAAAAAAAA1111111111</LEI> </Id> <Ntr> <FI> <Clssfctn>AIFD</Clssfctn> </FI> </Ntr> <Sd>GIVE</Sd> </RptgCtrPty> <OthrCtrPty> <Id> </pre>
2	Report submitting entity	{LEI} of AIF management company N	
3	Reporting counterparty	{LEI} of AIF M	
4	Nature of the reporting counterparty	F	
5	Sector of the reporting counterparty	AIFD	
6	Additional sector classification		
7	Branch of the reporting counterparty		
8	Branch of the other counterparty		
9	Counterparty side	GIVE	
10	Entity responsible for the report	{LEI} of AIF management company N	
11	Other counterparty	{LEI} of counterparty B	

Table 30 - Non-cleared SFTs where fund portfolio management is outsourced			
No	Field	Example	XML Message
12	Country of the other Counterparty	FR	<pre> <LEI>ABCDEFGHIJKLMNQRST</LEI> </Id> <CtryCd>FR</CtryCd> </OthrCtrPty> <NttyRspnsblForRpt> <LEI> AAAAAAAAAAAA2222222222</LEI> </NttyRspnsblForRpt> <TxSpfcData> <RpTrad> <StlmPties> <CntrlSciesDpstryPtcpt>AAAAAAAAAAAA AAAAAAAAA</CntrlSciesDpstryPtcpt> </StlmPties> </RpTrad> </TxSpfcData> </CtrPtyData> </CtrPtyData> <LnData> ... </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
13	Beneficiary		
14	Tri-party agent		
15	Broker		
16	Clearing member		
17	Central Securities Depository ('CSD') participant or indirect participant	{LEI} of custodian bank H	
18	Agent lender		

Q44. Do you agree with the population of the counterparty data fields? Please detail the reasons for your response and indicate the table to which your comments refer.

6.2 Table 2 Loan and Collateral Data

212. Following the population of the counterparty data fields, the population of the loan and collateral fields for different use cases is included. The reporting in accordance with the ISO 20002 XML schemas is provided too. This will facilitate the population of fields by the counterparties.
213. Each of the subsections will include a short description of the reporting logic for the fields that are being discussed.

6.2.1 Reporting of action types at transaction and position level

6.2.1.1 New SFT at transaction level that is not cleared on the same day

214. Table 31 illustrates the population of the reporting fields in case of a new SFT, reported at transaction level, is not cleared on the same day. This is how the SFTs that are not comprised in a CCP-cleared position should be reported.

Table 31 - New SFT at transaction level that is not cleared on the same day			
No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)	UTI1	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> <UnqTradldr>UTI1</UnqTradldr> </LnData> <CollData> ... </CollData> <LvITp>TCTN</LvITp> ... </New> ... </TradData> </SctiesFincgRptgTxRpt> </pre>
98	Action type	NEWT	
99	Level	TCTN	

6.2.1.2 New SFT at transaction level that is cleared on the same day

215. Table 32 illustrates the population of the reporting fields in case of a new SFT, reported at transaction level, is cleared on the same day and therefore reported as a position component. This is how the SFTs that are comprised in a CCP-cleared position should be reported.

Table 32 - New SFT at transaction level that is cleared on the same day			
No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)	UTI1	<pre> <SctiesFincgRptgTxRpt> <TradData> <PosCmpnt> <CtrPtyData> ... </CtrPtyData> <LnData> <UnqTradldr>UTI1</UnqTradldr> </LnData> <CollData> ... </PosCmpnt> </TradData> </SctiesFincgRptgTxRpt> </pre>
98	Action type	POSC	
99	Level	TCTN	

Table 32 - New SFT at transaction level that is cleared on the same day			
No	Field	Example	XML Message
			</CollData <LvITp>TCTN</LvITp> ... </PosCmpnt> ... </TradData> </SctiesFincgRptgTxRpt>

6.2.1.3 New CCP-cleared SFT at position level

216. Table 33 illustrates the population of the reporting fields following the clearing by a CCP of an SFT. In this case the resulting cleared SFT is reported with Action type “New” at position level.

Table 33 - New CCP-cleared SFT at position level			
No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)	PUT11	<SctiesFincgRptgTxRpt> <TradData> <New> <CtrPtyData> ... </CtrPtyData> <LnData> <UnqTradIdr>PUT11</UnqTradIdr> </LnData> <CollData> ... </CollData> <LvITp>PSTN</LvITp> ... </New> </TradData> ... </SctiesFincgRptgTxRpt>
98	Action type	NEWT	
99	Level	PSTN	

6.2.1.4 Modification of an SFT at transaction level

217. Table 34 illustrates the population of the reporting fields in case of a previously reported SFT at transaction level is modified.

Table 34 - Modification of an SFT at transaction level			
No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)	UTI1	<pre> <SctiesFincgRptgTxRpt> <TradData> <Mod> ... <CtrPtyData> ... </CtrPtyData> <LnData> <UnqTradIdr>UTI1</UnqTradIdr> </LnData> <CollData> ... </CollData> <LvITp>TCTN</LvITp> ... </Mod> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
98	Action type	MODI	
99	Level	TCTN	

6.2.1.5 Modification of a CCP-cleared SFT at position level

218. Table 35 illustrates the population of the reporting fields in case of modification of a previously reported at a position level CCP-cleared SFT.

Table 35 - Modification of a CCP-cleared SFT at position level			
No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)	PUTI1	<pre> <SctiesFincgRptgTxRpt> <TradData> <Mod> ... <CtrPtyData> ... </CtrPtyData> <LnData> <UnqTradIdr>PUTI1</UnqTradIdr> </LnData> <CollData> ... </CollData> <LvITp>PSTN</LvITp> ... </Mod> </TradData> </pre>
98	Action type	MODI	
99	Level	PSTN	

Table 35 - Modification of a CCP-cleared SFT at position level			
No	Field	Example	XML Message
			... </SctiesFincgRptgTxRpt>

6.2.1.6 Correction of an SFT at transaction level

219. Table 36 illustrates the population of the reporting fields when there is a correction of data fields that were submitted wrongly in a previous report of an SFT at transaction level.

Table 36 - Correction of an SFT at transaction level			
No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)	UTI1	<SctiesFincgRptgTxRpt> <TradData> <Crrctn> ... <CtrPtyData> ... </CtrPtyData> <LnData> <UnqTradldr>UTI1</UnqTradldr> </LnData> <CollData> ... </CollData> <LvITp>TCTN</LvITp> ... </Crrctn> </TradData> ... </SctiesFincgRptgTxRpt>
98	Action type	CORR	
99	Level	TCTN	

6.2.1.7 Correction of a CCP-cleared SFT at position level

220. Table 37 illustrates the population of the reporting fields when there is a correction of data fields that were submitted wrongly in a previous report at position level of a CCP-cleared SFT.

Table 37 - Correction of a CCP-cleared SFT at position level			
No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)	PUTI1	<SctiesFincgRptgTxRpt> <TradData> <Crrctn> ... <CtrPtyData> ... </CtrPtyData> <LnData>
98	Action type	CORR	
99	Level	PSTN	

Table 37 - Correction of a CCP-cleared SFT at position level			
No	Field	Example	XML Message
			<pre> <UnqTradIdr>PUTI1</UnqTradIdr> </LnData> <CollData> ... </CollData> <LvITp>PSTN</LvITp> ... </Crrctn> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

6.2.1.8 Valuation of SFT (only for SLB)

221. Table 38 illustrates the population of reporting fields when there is a valuation update of the securities in a SLB transaction. The counterparty values the securities on loan at 1,000,000 USD. In this case the counterparty report valuation of the securities on loan (field 2.57) in the currency in which the loan is made. The currency of the market value is indicated in the xml tag.

Table 38 - Valuation of SFT (only for SLB)			
No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)	UTI1	<pre> <SctiesFincgRptgTxRpt> <TradData> <ValtnUpd> ... <CtrPtyData> ... </CtrPtyData> <UnqTradIdr>UTI1</UnqTradIdr> <MktVal Ccy="USD">1000000</MktVal> ... </ValtnUpd> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
57	Market value	1000000	
98	Action type	VALU	

6.2.1.9 Reporting of collateral update for SFTs collateralised at transaction level

222. The reporting of any information on collateral should be carried out only with Action type COLU and, for SFTs collateralised at transaction level, the UTI of the collateralised transaction should be reported too as showed in Table 39. The specificities of collateral reporting are covered in section 6.2.3.

Table 39 - Reporting of collateral update for SFTs collateralised at transaction level

No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)	UTI1	<SctiesFincgRptgTxRpt> <TradData> <CollUpd> ... <CtrPtyData> ... </CtrPtyData> <LnData> <UnqTradldr>UTI1</UnqTradldr> </LnData> <CollData> ... </CollData> ... </CollUpd> </TradData> ... </SctiesFincgRptgTxRpt>
98	Action type	COLU	
99	Level		

6.2.1.10 Reporting of collateral update for SFTs collateralised at net exposure level

223. The reporting of any information on collateral should be carried out only with Action type COLU and, for SFTs collateralised at net exposure level, no UTI is required as showed in Table 40. The specificities of collateral reporting are covered in section 6.2.3.

No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)		< SctiesFincgRptgTxRpt> <TradData> <CollUpd> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... </LnData> <CollData> ... </CollData> ... </CollUpd> </TradData> ... </SctiesFincgRptgTxRpt>
98	Action type	COLU	
99	Level		

6.2.1.11 Early termination at transaction level

224. Table 41 illustrates the population of reporting fields when termination of an open term SFT or an early termination of a fixed term SFT occur and the SFT is reported at transaction level.

Table 41 - Early termination at transaction level			
No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)	UTI1	<pre> <SctiesFincgRptgTxRpt> <TradData> <EarlyTermntn> <CtrPtyData> ... </CtrPtyData> <LnData> <UnqTradldr>UTI1</UnqTradldr> </LnData> <CollData> ... </CollData> ... </EarlyTermntn> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
98	Action type	ETRM	
99	Level		

6.2.1.12 Early termination at position level

225. Table 42 illustrates the population of reporting fields in case of a termination of an SFT that is reported at position level.

Table 42 - Early termination at position level			
No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)	PUTI1	<pre> <SctiesFincgRptgTxRpt> <TradData> <EarlyTermntn> <CtrPtyData> ... </CtrPtyData> <LnData> <UnqTradldr>PUTI1</UnqTradldr> </LnData> <CollData> ... </CollData> ... </EarlyTermntn> </TradData> </SctiesFincgRptgTxRpt> </pre>
98	Action type	ETRM	
99	Level		

6.2.1.13 Erroring SFTs at transaction level

226. Table 43 illustrates the population of reporting fields in case of a cancellation of a wrongly submitted entire report where the SFT never came into existence or was not subject to SFT reporting requirements, but which was reported to a trade repository by mistake. The non-reportable SFT was reported at transaction level.

Table 43 - Erroring SFTs at transaction level			
No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)	UTI1	<pre><SciesFincgRptgTxRpt> <TradData> <Err> <CtrPtyData> ... </CtrPtyData> <UnqTradldr>PUTI1</UnqTradldr> ... </Err> </TradData> </SciesFincgRptgTxRpt></pre>
98	Action type	EROR	
99	Level		

6.2.1.14 Erroring SFTs at position level

227. Table 44 illustrates the population of reporting fields in case of a cancellation of a wrongly submitted entire report where the SFT never came into existence or was not subject to SFT reporting requirements, but which was reported to a trade repository by mistake. The non-reportable SFT was reported at position level.

Table 44 - Erroring SFTs at position level			
No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)	PUTI1	<pre><Err> <CtrPtyData> ... </CtrPtyData> <UnqTradldr>UTI1</UnqTradldr> ... </Err> </TradData> </SciesFincgRptgTxRpt></pre>
98	Action type	EROR	
99	Level		

Q45. Do you agree with the approach to reporting action types? Please detail the reasons for your response and include a reference to the specific table.

6.2.2 Loan Data

228. The subsequent sections emphasise the population of a given set of fields that share specific characteristics of the loan side of a transaction. These will allow the reporting counterparties to directly assess the information that they should report for each specific data section where applicable.



229. The validation rules contain the complete guidance on applicable fields per SFT type, Action type and Level, as well as the relevant dependencies.
230. All the examples and use cases below contain randomly generated codes, none of them pertaining to a security or an entity.

6.2.2.1 Reporting of UTI

231. When reporting, the counterparties should report a unique trade identifier ('UTI') agreed by the counterparties, or otherwise generated in accordance with the generation logic specified in Article 3(2) of the ITS on reporting.
232. Pursuant to Article 3(3), the counterparty generating the UTI shall communicate that UTI to the other counterparty in a timely manner so that the latter is able to meet its reporting obligation by populating the field 1 of table 2 of Annex I of the ITS.

Table 45 - Reporting of UTI field 2.1			
No	Field	Example	XML Message
1	Unique Trade Identifier (UTI)	UTI1	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> <UnqTradldr>ABCDE</UnqTradldr> ... </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

6.2.2.2 Reporting of event date

233. Counterparties should populate this field as follows:
- the conclusion of the SFT should be reported in relation to when the SFT was concluded, even if then it did not settle afterwards;
 - the modification of elements to the SFT, including the collateral data, should be reported as the date on which the modification takes place.



234. Counterparties should be mindful that the information reported with regards to a given event date should allow authorities to have a clear view on the exposures arising from a given (set of) SFTs as of the close of the day for which the SFT refers to.

Q46. Do you agree with the approach to reporting event date? Please detail the reasons for your response and include a reference to the specific table.

6.2.2.3 Reporting of cleared / non-cleared SFT

a) Cleared SFTs open offer

235. When a trade is cleared in an open offer model, the clearing takes place at the time of conclusion of the SFT.

236. Table 46 and Table 47 illustrate the population of field of the above-mentioned situation from the CCP O and CM-client perspective respectively

237. The following group of reporting fields should be reported:

- a. "Cleared" (field 2.5) is populated with 'true'
- b. "Clearing Timestamp" (field 2.6) is equal to field 2.12 "Execution timestamp"
- c. "CCP" (field 2.7) is populated with the LEI of the CCP O

Table 46 - From CCP perspective			
No	Field	Example	XML Message
2	Report tracking number		<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <ExctnDtTm>2020-04- 22T16:41:07Z</ExctnDtTm> <TxLnData> <RpTrad> <ClrSts> <Clrd> <CCP> BBBBBBBBBBBB1111111111</CCP> <ClrDtTm>2020-04- 22T16:41:07Z</ClrDtTm> ... </Clrd> </ClrSts> <MstrAgrmt> <Tp> <Tp>OTHR</Tp> </Tp> ... <OthrMstrAgrmtDtls>CCPClearing </pre>
5	Cleared	true	
6	Clearing timestamp	2020-04-22T16:41:07Z	
7	CCP	{LEI} of CCP O	
9	Master agreement Type	OTHR	
10	Other master agreement type	CCPClearing Conditions	
12	Execution timestamp	2020-04-22T16:41:07Z	

Table 46 - From CCP perspective			
No	Field	Example	XML Message
			Conditions</OthrMstrAgrmtDtls> ... </MstrAgrmt> </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SciesFincgRptgTxRpt>

Table 47 - From CM-client perspective			
No	Field	Example	XML Message
2	Report tracking number		<SciesFincgRptgTxRpt
5	Cleared	true	<TradData> <New> ...
6	Clearing timestamp	2020-04-22T16:41:07Z	<CtrPtyData> ...
7	CCP	{LEI} of CCP O	</CtrPtyData> <LnData>
9	Master agreement Type	OTHR	... <ExctnDtTm>2020-04-
10	Other master agreement type	CCPClearing Conditions	22T16:41:07Z</ExctnDtTm> <TxLnData> <RpTrad> <ClrSts> <Clrd>
12	Execution timestamp	2020-04-22T16:41:07Z	<CCP>BBBBBBBBBBB1111111111</CCP> <ClrDtTm>2020-04-22T16:41:07Z</ClrDtTm> </Clrd> </ClrSts> <MstrAgrmt> <Tp> <Tp>OTHR</Tp> </Tp> ... <OthrMstrAgrmtDtls>CCPClearing

Table 47 - From CM-client perspective			
No	Field	Example	XML Message
			Conditions</OthrMstrAgrmtDtls> </MstrAgrmt> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CallData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt>

b) Cleared SFT in a novation model

238. When a trade is cleared in novation model, the clearing takes place after the time of conclusion of the SFT.

239. Table 48 and Table 49 illustrate the population of fields, from the CCP O and the CM perspective respectively, in case of an SFT is cleared by CCP O in a novation model. On this regard:

240. The following group of reporting fields must be reported:

- a. "Report tracking" (field 2.2) number should be reported with the prior UTI (that of the bilateral transaction in the case of CCP-cleared SFTs) but only to be reported by the CM and its client, not by the CCP)
- b. "Cleared" (field 2.5) is populated with 'true'
- c. "Clearing Timestamp" (field 2.6) is after field 2.12 Execution timestamp
- d. "CCP" (field 2.7) is populated with the LEI of the CCP O

Table 48 – Cleared SFT in a novation model from CCP perspective			
No	Field	Example	XML Message
2	Report tracking number		<SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <ExctnDtTm>2020-04-22T16:41:07Z</ExctnDtTm> <TxLnData> <RpTrad> <ClrSts>
5	Cleared	true	
6	Clearing timestamp	2020-04-22T16:41:07Z	
7	CCP	{LEI} of CCP O	
9	Master agreement Type	OTHR	
10	Other master agreement type	CCPClearing Conditions	
12	Execution timestamp	2020-04-22T14:41:07Z	

Table 48 – Cleared SFT in a novation model from CCP perspective

No	Field	Example	XML Message
			<pre> <Clrd> <CCP>BBBBBBBBBB1111111111</CCP> <ClrDtTm>2020-04- 22T16:41:07Z</ClrDtTm> ... </Clrd> </ClrSts> <MstrAgrmt> <Tp> <Tp>OTHR</Tp> </Tp> ... <OthrMstrAgrmtDtls>CCPClearing Conditions</OthrMstrAgrmtDtls> ... </MstrAgrmt> </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

241. Below is the example from CM perspective. The population of the below fields should be same for the client perspective.

Table 49 - Cleared SFT in a novation model from CM perspective

No	Field	Example	XML Message
2	Report tracking number	RTN1	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <ExctnDtTm>2020-04- 22T16:41:07Z</ExctnDtTm> <TxLnData> <RpTrad> <ClrSts> </pre>
5	Cleared	true	
6	Clearing timestamp	2020-04-22T16:41:07Z	
7	CCP	{LEI} of CCP O	
9	Master agreement Type	OTHR	
10	Other master agreement type	CCPClearing Conditions	
12	Execution timestamp	2020-04-22T14:41:07Z	

Table 49 - Cleared SFT in a novation model from CM perspective			
No	Field	Example	XML Message
			<pre> <Clrd> <CCP>BBBBBBBBBB1111111111</CCP> <ClrDtTm>2020-04- 22T16:41:07Z</ClrDtTm> <RptTrckgNb>RTN1</RptTrckgNb> ... </Clrd> </ClrSts> <MstrAgrmt> <Tp> <Tp>OTHR</Tp> </Tp> ... <OthrMstrAgrmtDtIs>CCPClearing Conditions</OthrMstrAgrmtDtIs> </MstrAgrmt> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CallData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

c) CCP cleared SFT in a DBV model

242. When a trade is cleared in DVB model, the clearing takes place after the time of conclusion of the SFT.
243. Table 50 illustrates the population of fields from the CCP O perspective. On this regard:
244. The following group of reporting fields must be reported:
- “Cleared” (field 2.5) is populated with ‘true’
 - “Clearing Timestamp” (field 2.6) is after field 2.12 Execution timestamp
 - “CCP” (field 2.7) is populated with the LEI of the CCP O

Table 50 - CCP perspective			
No	Field	Example	XML Message

Table 50 - CCP perspective			
No	Field	Example	XML Message
2	Report tracking number		<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <ExctnDtTm>2020-04- 22T16:41:07Z</ExctnDtTm> <TxLnData> <RpTrad> <ClrSts> <Clrd> <CCP>BBBBBBBBBBB1111111111</CCP> <ClrDtTm>2020-04- 22T16:41:07Z</ClrDtTm> ... </Clrd> </ClrSts> <MstrAgrmt> <Tp> <Tp>OTHR</Tp> </Tp> ... <OthrMstrAgrmtDtls>CCPClearing Conditions</OthrMstrAgrmtDtls> </MstrAgrmt> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
5	Cleared	true	
6	Clearing timestamp	2020-04-22T16:41:07Z	
7	CCP	{LEI} of CCP O	
9	Master agreement Type	OTHR	
10	Other master agreement type	CCPClearing Conditions	
12	Execution timestamp	2020-04-22T14:41:07Z	

Table 51 - CM perspective			
No	Field	Example	XML Message
2	Report tracking number	RTN1	<pre> <SctiesFincgRptgTxRpt> <TradData> </pre>

Table 51 - CM perspective			
No	Field	Example	XML Message
5	Cleared	true	<pre> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <ExctnDtTm>2020-04- 22T16:41:07Z</ExctnDtTm> <TxLnData> <RpTrad> <ClrSts> <Clrd> <CCP>BBBBBBBBBBB1111111111</CCP> <ClrDtTm>2020-04- 22T16:41:07Z</ClrDtTm> <RptTrckgNb>RTN1</RptTrckgNb> ... </Clrd> </ClrSts> <MstrAgrmt> <Tp> <Tp>OTHR</Tp> </Tp> ... <OthrMstrAgrmtDtls>CCPClearing Conditions</OthrMstrAgrmtDtls> </MstrAgrmt> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
6	Clearing timestamp	2020-04-22T16:41:07Z	
7	CCP	{LEI} of CCP O	
9	Master agreement Type	OTHR	
10	Other master agreement type	CCPClearing Conditions	
12	Execution timestamp	2020-04-22T14:41:07Z	

d) Non-cleared SFT

245. "Cleared" (field 2.5) is populated with 'false' as showed in Table 52. The rest of the fields related to clearing are not populated. Execution timestamp is populated.

Table 52 - Non-cleared SFT			
No	Field	Example	XML Message
2	Report tracking number	-	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <ExctnDtTm>2020-04- 22T16:41:07Z</ExctnDtTm> <TxLnData> <RpTrad> <ClrSts> <NonClrd>NORE</NonClrd> </ClrSts> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
5	Cleared	false	
6	Clearing timestamp	-	
7	CCP	-	
12	Execution timestamp	2020-04-22T14:41:07Z	

Q47. Do you agree with the approach to reporting clearing? Please detail the reasons for your response and include a reference to the specific table.

6.2.2.4 Trading venue

246. The field “Trading venue” (field 2.8) should be populated in accordance with the type of conclusion of the SFT. The counterparties should use always the segment MIC.

247. In case an SFT is concluded on an automated trading systems (ATS) or broker matching platform, the MIC of the platform should be populated. This field does not allow population with LEI.

a) On-venue conclusion of SFT

248. When the SFT is concluded through a trading system such as an OTF, MTF or regulated market, as defined under MIFID II, then it should be reported with a MIC code. This includes ATS and registered brokers.

249. Table 53 illustrates how to populate the field in case the SFT is concluded through the trading venue P.

Table 53 - On-venue conclusion of SFT			
No	Field	Example	XML Message
8	Trading venue	{MIC}	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <TradgVn>XWAR</TradgVn> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

b) Off-venue conclusion of SFT which is then brought to the rules of a venue

250. In case the SFT was concluded off-venue but then brought into the rules of the venue, then it should be reported with the code "XOFF" as shown in Table 54.

Table 54 - Off-venue conclusion of SFT which is then brought to the rules of a venue			
No	Field	Example	XML Message
8	Trading venue	XOFF	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> </pre>

Table 54 - Off-venue conclusion of SFT which is then brought to the rules of a venue

No	Field	Example	XML Message
			<pre> <TradgVn>XOFF</TradgVn> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CallData> ... </New> </TradData> ... </SciesFincgRptgTxRpt> </pre>

c) Bilateral off-venue conclusion of SFT

251. In case neither of the above hold true, i.e. the SFT was concluded bilaterally, then it should be reported with the code "XXXX" as shown in Table 55.

Table 55 - Bilateral off-venue conclusion of SFT

No	Field	Example	XML Message
8	Trading venue	XXXX	<pre> <SciesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <TradgVn>XXXX</TradgVn> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CallData> ... </New> </TradData> ... </SciesFincgRptgTxRpt> </pre>

Q48. Do you agree with the approach to reporting trading venue field? Please detail the reasons for your response and include a reference to the specific table.

6.2.2.5 Master agreement section

a) Documented SFT with master agreement from the list

252. When a master agreement is used the following fields must be reported:

- a. "Master agreement type" (field 2.9)
- b. "Master agreement version" (field 2.11), when field 2.9 is populated with value other than "BIAG", "CSDA" or "OTHR"

253. Table 56 illustrates the population of fields in case of the SFT is concluded under the GMRA 2017 master agreement.

Table 56 - Documented SFT with master agreement from the list			
No	Field	Example	XML Message
9	Master agreement type	GMRA	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <MstrAgrmt> <Tp> <Tp>GMRA</Tp> </Tp> <Vrsn>2017</Vrsn> ... </MstrAgrmt> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
10	Other master agreement type		
11	Master agreement version	2017	

b) Documented SFT with agreement that is not in the list

254. When a master agreement is used the following fields must be reported:

- a. "Master agreement type" (field 2.9)
- b. "Other master agreement type" (field 2.10), when 'OTHR' reported in field 2.9

255. Table 57 illustrates the population of fields in case of the SFT is concluded under a master agreement that is not in the list and refers to the CCP Clearing Conditions agreement.

Table 57 - Documented SFT with agreement that is not in the list			
No	Field	Example	XML Message
9	Master agreement type	OTHR	<pre> <SciesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <MstrAgrmt> <Tp> <Tp>OTHR</Tp> </Tp> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> </New> </TradData> ... </SciesFincgRptgTxRpt> </pre>
10	Other master agreement type	CCPClearing Conditions	
11	Master agreement version		

c) Undocumented SFT

256. In the case of the undocumented SFT, the following fields must be reported (see Table 58):

- c. "Master agreement type" (field 2.6), which should be populated with 'OTHR'
- d. "Other master agreement type" (field 2.10), which should be populated with 'Undocumented'

Table 58 - Undocumented SFT			
No	Field	Example	XML Message
9	Master agreement type	OTHR	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <MstrAgrmt> <Tp> <Tp>OTHR</Tp> </Tp> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
10	Other master agreement type	Undocumented	
11	Master agreement version	-	

Q49. Do you have any remarks or questions concerning the reporting of master agreements? Please detail the reasons for your response and include a reference to the specific table.

6.2.2.6 Conclusion and start of the transaction

a) Immediate

257. Table 59 illustrates the population of fields in case of the transaction is executed and starts in two days, i.e. the settlement cycle in the EU, this is an immediateSFT.

Table 59 - Immediate			
No	Field	Example	XML Message
12	Execution timestamp	2020-04-22T16:41:07Z	<pre> <SctiesFincgRptgTxRpt> <TradData> </pre>

Table 59 - Immediate			
No	Field	Example	XML Message
13	Value Date	2020-04-24	<pre> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <ExctnDtTm>2020-04- 22T16:41:07Z</ExctnDtTm> <TxLnData> <RpTrad> ... <ValDt>2020-04-24</ValDt> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

b) Forward

258. Table 60 illustrates the population of fields in case of the transaction starts one month after it is executed, this means that this is a forward SFT.

Table 60 - Forward			
No	Field	Example	XML Message
12	Execution timestamp	2020-04-22T16:41:07Z	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <ExctnDtTm>2020-04- 22T16:41:07Z</ExctnDtTm> <TxLnData> <RpTrad> ... <ValDt>22.05.2020 00:00:00</ValDt> </pre>
13	Value Date	2020-05-22	

Table 60 - Forward			
No	Field	Example	XML Message
			<pre> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CallData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

Q50. Do you agree with the approach to reporting conclusion and beginning of an SFT? Please detail the reasons for your response and include a reference to the specific table.

6.2.2.7 Term of the SFT

a) Fixed term

259. Table 61 illustrates the population of fields in case of the counterparties agreed to exchange of cash, securities, or commodities versus collateral for the closing leg (forward leg) of the SFT on 22 May 2020.

260. The minimum number of business days that one of the counterparties has to inform the other counterparty of the termination of this SFT is 5.

261. The earliest date that the cash lender has the right to call back a portion of the funds or to terminate the transaction is the 7 May 2020.

Table 61 - Fixed term			
No	Field	Example	XML Message
14	Maturity date (End date)	2020-05-22	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <MinNtcePrd>5</MinNtcePrd> <EarlstCallBckDt>07.05.2020 00:00:00</EarlstCallBckDt> ... </pre>
16	Minimum notice period	5	
17	Earliest call-back date	2020-05-07	
21	Open term	false	

Table 61 - Fixed term			
No	Field	Example	XML Message
			<pre> <Term> <Fxd> <MtrtyDt>22.05.2020 00:00:00</MtrtyDt> </Fxd> </Term> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CallData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

b) Open term

262. Table 62 illustrates the population of fields in case of the counterparties agree on an open term transaction with a minimum notice period for the termination of the transaction of 1 day.

Table 62 - Open term			
No	Field	Example	XML Message
14	Maturity date (End date)		<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <MinNtcePrd>1</MinNtcePrd> ... <Term> <Opn>NORE</Opn> </Term> ... </RpTrad> </TxLnData> </LnData> <CollData> </pre>
16	Minimum notice period	1	
17	Earliest call-back date		
21	Open term	true	

Table 62 - Open term			
No	Field	Example	XML Message
			... </CallData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt>

Q51. Do you agree with the approach to reporting term of the SFT? Please detail the reasons for your response and include a reference to the specific table.

6.2.2.8 Termination optionality

263. This field is closely linked with field 2.21. Fixed term repos can have optionality, i.e. evergreen (Table 64) or extendable (Table 65) or be without optionality, i.e. not applicable “NOAP” (Table 63). Open term repos can be evergreen (Table 64) or have no optionality (Table 63).

a) No optionality

Table 63 - No optionality			
No	Field	Example	XML Message
22	Termination optionality	NOAP	<SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <Term> <Fxd> <TermntnOptn>NOAP</TermntnOptn> </Fxd> </Term> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CallData> ...

Table 63 - No optionality			
No	Field	Example	XML Message
			<pre> </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

b) Evergreen

Table 64 - Evergreen			
No	Field	Example	XML Message
22	Termination optionality	EGRN	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <Term> <Fxd> <TermntnOptn>EGRN</TermntnOptn> </Fxd> </Term> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

c) Extendable

Table 65 - Extendable			
No	Field	Example	XML Message

Table 65 - Extendable			
No	Field	Example	XML Message
22	Termination optionality	ETSB	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <Term> <Fxd> <TermntnOptn>ETSB</TermntnOptn> </Fxd> </Term> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

Q52. Do you see any issues with the approach to reporting termination optionality? Please detail the reasons for your response and include a reference to the specific table.

6.2.2.9 Collateral arrangements

264. Feedback from the industry suggests that the “General Collateral indicator” (field 2.18) requires additional guidance for reporting purposes. A first possible approach is to rely on the analytical perspective, in which general and specific collateral is a way to distinguish between cash-driven and security-driven transactions. In terms of reporting, the logic would be the following:

- a. For repos and BSB, “General Collateral” would be the default option, describing not only multi-collateral repos (i.e. against collateral baskets or pools) but also transactions in which single collateral is traded at (or close to) the prevailing GC rate, and repos in which cash is part of the collateral.



- b. For securities lending, “Specific Collateral” would be the default option, except for cash-driven transactions e.g. in the context of triparty services or “reverse securities loans” by CCPs, where the transaction’s lending fee reflects the prevailing GC fee.

265. The second approach is to take a more restrictive definition of general collateral, which would only apply in the context of GC facilities provided by an Automatic Trading System such as those run by CCPs, and transactions in which the collateral is managed by a triparty agent. Aside from specific collateral transactions, the default option for all other SFTs would then be to leave the “General Collateral Indicator” field empty.

266. The main difference between these two approaches is whether cash-driven bilateral trades that do not take place on a GC facility but trade nonetheless at or close to the prevailing GC refinancing rate should be considered as general collateral. Industry input suggests that reconciliation might be problematic in the first case as the two counterparties may not rely on the same definition of general collateral.

267. ESMA proposes to introduce a dependency in the validation rules. “General Collateral indicator” should be:

- a. Left empty if the “Uncollateralised SLB” (field 2.72) flag is “TRUE”.
- b. “SPEC” where specific collateral is used in SFTs and the “Type of collateral component” (field 2.75) is “SECU”.
- c. “GENE” depending on which of the two approaches outlined above is adopted.

Q53. Which of these approaches do you favour for reporting general and specific collateral? Please detail the reasons for your response.

- a) Specific collateral in title transfer

268. Table 66 illustrates the population of fields in case of the SFT is subject to a specific collateral arrangement (field 2.18 populated with SPEC) and such a collateral is subject to a title transfer (Field 2.20 populated with TTCA).

Table 66 - Specific collateral in title transfer			
No	Field	Example	XML Message
18	General collateral indicator	SPEC	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <GnlColl>SPEC</GnlColl> ... </TxLnData> </LnData> </New> </TradData> </SctiesFincgRptgTxRpt> </pre>
19	Delivery By Value ('DBV') indicator	false	
20	Method used to provide collateral	TTCA	
			<DivryByVal>FALSE</DivryByVal>

Table 66 - Specific collateral in title transfer			
No	Field	Example	XML Message
			<pre> <CollDlvryMtd>TTCA</CollDlvryMtd> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CallData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

b) General collateral in pledge

269. Table 67 illustrates the population of fields in case of the STF is subject to a general collateral arrangement (field 2.18 populated with GENE) and such a collateral is subject to a Securities financial collateral arrangement (field 2.20) populated with SICA.

Table 67 - General collateral in pledge			
No	Field	Example	XML Message
18	General collateral indicator	GENE	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <GniColl>GENE</GniColl> </pre>
19	Delivery By Value ('DBV') indicator	false	
20	Method used to provide collateral	SICA	<pre> <DlvryByVal>FALSE</DlvryByVal> <CollDlvryMtd>SICA</CollDlvryMtd> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CallData> ... </New> </pre>

Table 67 - General collateral in pledge			
No	Field	Example	XML Message
			</TradData> ... </SctiesFincgRptgTxRpt>

c) DBV general collateral in title transfer

270. Table 68 illustrates the population of fields in case of the SFT is subject to a general collateral arrangement (field 2.18 populated with GENE) and such a collateral is subject to a title transfer (field 2.20 populated with TTCA). The transaction is settled using the DVB mechanism (field 2.19) populated with TRUE.

Table 68 - DBV general collateral in title transfer			
No	Field	Example	XML Message
18	General collateral indicator	GENE	<SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <GnlColl>GENE</GnlColl> <DlvryByVal>TRUE</DlvryByVal> <CollDlvryMtd>TTCA</CollDlvryMtd> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CallData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt>
19	Delivery By Value ('DBV') indicator	true	
20	Method used to provide collateral	TTCA	

Q54. Do you agree with the approach to reporting collateral arrangements? Please detail the reasons for your response and include a reference to the specific table.

6.2.2.10 Fixed or floating rates

271. When concluding SFTs, counterparties might agree to use fixed interest rate or floating rate. Negative values are allowed for the “Fixed rate” (field 2.23) and the “adjusted floating rate” (field 2.35).

a) Fixed rate - Initial report

272. When counterparties conclude SFTs with fixed rates, they need to populate accordingly fields 2.23 and 2.24 as shown in Table 69. In this case the annualised interest rate is “-0.23455” with the day count convention as Actual360 (“A004”).

Table 69 - Fixed rate - Initial report			
No	Field	Example	XML Message
23	Fixed rate	-0.23455	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <IntrstRate> <Fxd> <Rate>-0.23455</Rate> <DayCntBsis> <Cd>A004</Cd> </DayCntBsis> </Fxd> </IntrstRate> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
24	Day count convention	A004	

b) Fixed rate – modification

273. When counterparties agree to modify the fixed rate, i.e. to re-rate the SFT, they need to report the modification in field 2.23 and in field 2.24, if applicable, as shown in Table

70. In this case, the new annualised interest rate is “0.12345” with the new day count convention as Actual365Fixed (“A005”).

Table 70 - Fixed rate – modification			
No	Field	Example	XML Message
23	Fixed rate	0.12345	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <IntrstRate> <Fxd> <Rate>0.12345</Rate> <DayCntBsis> <Cd>A005</Cd> </DayCntBsis> </Fxd> </IntrstRate> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
24	Day count convention	A005	

c) Floating rate – Initial report

274. In table Table 71 it is illustrated the population of fields when the counterparties entered into an SFT by choosing as reference rate EONIA (field 25) with a floating rate reference period expressed in days (field 2.26) with an integer multiplier of the time period of 1 day (field 2.27).
275. The counterparties also agreed on a week time period in the floating rate payment frequency (field 2.28) with an integer multiplier of the time period of 1 week (field 2.29) describing how often the counterparties exchange payments.
276. In thios case, the floating rate will reset with a time period of days (field 2.30) with a multiplier of 1 day (field 2.31).

277. In this case, the number of basis points to be added to (or subtracted from in case of negative value which is allowed for this field) as spread to the floating interest rate in order to determine the interest rate of the loan are is “5” (field 2.32).

Table 71 - Floating rate – Initial report			
No	Field	Example	XML Message
25	Floating rate	EONA	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <IntrstRate> <Fltg> <RefRate> <Indx>EONA</Indx> </RefRate> <Term> <Unit>DAYS</Unit> <Val>1</Val> </Term> <PmtFrqcy> <Unit>WEEK</Unit> <Val>1</Val> </PmtFrqcy> <RstFrqcy> <Unit>DAYS</Unit> <Val>1</Val> </RstFrqcy> </Fltg> </IntrstRate> <BsisPtSprd>00005</BsisPtSprd> </Fltg> </IntrstRate> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
26	Floating rate reference period - time period	DAYS	
27	Floating rate reference period - multiplier	1	
28	Floating rate payment frequency - time period	WEEK	
29	Floating rate payment frequency - multiplier	1	
30	Floating rate reset frequency - time period	DAYS	
31	Floating rate reset frequency - multiplier	1	
32	Spread	5	

d) Floating rate adjustment fields

278. Floating rate adjustment should be reported as it takes place. Negative values are allowed.

279. In Table 72, the counterparties in the SFT agreed on a negative adjusted rate of “-0.01234” that becomes effective on the 22 April 2020.

Table 72 - Floating rate adjustment fields			
No	Field	Example	XML Message
35	Adjusted rate	-0.01234	<pre> <SciesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <IntrstRate> <Fltg> <RateAdjstmnt> <Rate>-0.01234</Rate> <AdjstmntDt>2020-04- 36 22</AdjstmntDt> </RateAdjstmnt> </Fltg> </IntrstRate> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SciesFincgRptgTxRpt> </pre>
	Rate date	2020-04-22	

Q55. Do you agree with the approach to reporting fixed and floating rates of SFTs? Please detail the reasons for your response and include a reference to the specific table.

6.2.2.11 Repo and BSB/SBB principal amounts

280. Table 73 illustrates the population of fields in case of the principal amount on the value date is 10,162,756.90 EUR and the principal amount on the maturity date is 10,161,551.48 EUR.

Table 73 - Repo and BSB/SBB principal amounts			
No	Field	Example	XML Message
37	Principal amount on the value date	10162756.90	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> ... <PrncplAmt> ... </PrncplAmt> </RpTrad> </TxLnData> </LnData> </New> </TradData> </SctiesFincgRptgTxRpt> </pre>
38	Principal amount on the maturity date	10161551.48	
39	Principal amount currency	EUR	

Q56. Do you see any issues with the approach to reporting repo and BSB/SBB principal amounts? Please detail the reasons for your response and include a reference to the specific table.

6.2.2.12 Securities

a) Security / collateral quality

281. The fields Security quality (2.51) and Collateral quality (2.90) should be filled by counterparties with one of the following values:

- a. 'INVG' - Investment grade
- b. 'NIVG' - Non-investment grade
- c. 'NOTR' - Non-rated
- d. 'NOAP' - Not applicable

282. The value "NOAP" should be used for the following collateral types (field 2.94): Main index equities (MEQU), Other equities (OEQU), and Other assets (OTHR) for which



credit ratings within the meaning of the Regulation (EG) No 1060/2009 (CRAR) are not applicable¹⁷. The value “NOTR” should only be used for instruments that can be rated but do not have a rating.

283. To report this information, and in order to avoid mechanistic reliance on credit ratings in accordance with Article 5a of the CRA Regulation, the counterparties should rely on their internal assessment of the credit quality of the securities, which may include external ratings from one or several CRAs. For reconciliation purposes, the counterparties should
- a. agree on the credit rating to be used as reference and the corresponding value relating to edit quality step under CRR to be reported, where applicable.
 - b. In case of lack of agreement, the counterparties should report the lowest applicable credit quality step.

284. When finalising these Guidelines ESMA will also take into account the response to the consultation on [include link to the amended CP on main index equities]

Q57. Do you agree with the approach regarding reporting fields 2.51 and 2.90? Please elaborate on the reasons for your response.

b) Bonds

285. The price in the case of bonds should be reported as percentage, but not as decimal fraction of 1.
286. Table 74 illustrates the population of fields in case of the SFT involves 100,000,000 investment grade government securities (field 2.46, field 2.51, field 2.55, and field 2.40) and classified as debt instrument (bonds).
287. The securities were issued by a German issuer (field 2.53 identified by its LEI (field 2.54)).
288. The price of a security is expressed in percentage as 99.5% (field 2.49), its currency is euro (field 2.50) and the securities maturity date is the 22 April 2030 (field 2.50).
289. The loan value of the SFT is 99,500,000 EUR (field 2.56) and the borrower has not exclusive access to borrow from the lender’s securities portfolio (field 2.68).

Table 74 - Bonds			
No	Field	Example	XML Message
40	Type of asset	SECU	<SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ...
41	Security identifier	{ISIN}	
42	Classification of a security	{CFI}	

¹⁷ Under CRAR Article 3, “Credit rating” means an opinion regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other financial instrument, or of an issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument, issued using an established and defined ranking system of rating categories.”

Table 74 - Bonds			
No	Field	Example	XML Message
46	Quantity or nominal amount	100000000	<pre> </CtrPtyData> <LnData> ... <TxLnData> <SctiesLndg> <AsstTp> <Scty> <Id> DE0010877643</Id> <Clssfctn>DB*TF* </Clssfctn> <QtyOrNmnlVal> <NmnlVal Ccy="EUR">100000000</n> </QtyOrNmnlVal> <Qlty>INVG</Qlty> <Mtrty>2030-04-22</Mtrty> <Issr> <LEI> SSSSSSSSSSSSSSSSSSSSSSS </LEI> <JursdctnCtry>DE</JursdctnCtry> </Issr> <Tp> <Cd>GOVS</Cd> </Tp> <UnitPric> <MntryVal> <Amt Ccy="EUR">99.5</Amt> </MntryVal> </UnitPric> </Scty> </AsstTp> <LnVal>99500000</LnVal> <ExclsvArrgmnt>>false</ExclsvArrgmnt> </SctiesLndg> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
48	Currency of nominal amount	EUR	
49	Security or commodity price	99.5	
50	Price currency	EUR	
51	Security quality	INVG	
52	Maturity of the security	2030-04-22	
53	Jurisdiction of the issuer	DE	
54	LEI of the issuer	{LEI} of the issuer	
55	Security type	GOVS	
56	Loan value	99500000	
68	Exclusive arrangements	FALSE	

c) Main index equities

290. Table 75 illustrates the population of fields in case of the SFT involves a main index equities (field 2.55) with a nominal amount of 100,000 EUR (Field 2.46).
291. The type of asset is again a security (field 2.40) as equities (field 2.42). The security quality is not applicable for this type of securities (field 2.52).



292. The securities were issued by a German issuer (field 2.53) identified by its LEI (field 2.54).
293. The security price is expressed in units and is 9.95 EUR (field 2.49 and field 2.50). Since the underlying is an equity there is no securities maturity date, therefore field 2.52 should be populated with the ISO 8601 standard "9999-12-31".
294. The loan value of the SFT is 995,000 EUR (field 2.56) and the borrower has not exclusive access to borrow from the lender's securities portfolio (field 2.68).

Table 75 – Main index equities			
No	Field	Example	XML Message
40	Type of asset	SECU	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <SctiesLndg> <AsstTp> <Scty> <Id> EO0010877643</Id> <Clssfctn>E*****</Clssfctn> <QtyOrNmnlVal> <NmnlVal Ccy="EUR">100000</n> </QtyOrNmnlVal> <Qlty>NOAP</Qlty> <Mtrty>9999-12-31</Mtrty> <Issr> <LEI>SSSSSSSSSSSSSSSSSSSSSS</LEI> <JursdctnCtry>DE</JursdctnCtry> </Issr> <Tp> <Cd>MEQU</Cd> </Tp> <UnitPric> <MntryVal> <Amt Ccy="EUR">9.95</Amt> </MntryVal> </UnitPric> </Scty> </AsstTp> <LnVal>995000</LnVal> <ExclsvArrgmnt>false</ExclsvArrgmnt> </SctiesLndg> </TxLnData> </LnData> <CollData> </pre>
41	Security identifier	{ISIN}	
42	Classification of a security	{CFI}	
46	Quantity or nominal amount	100,000	
48	Currency of nominal amount	EUR	
49	Security or commodity price	9.95	
50	Price currency	EUR	
51	Security quality	NOAP	
52	Maturity of the security	9999-12-31	
53	Jurisdiction of the issuer	DE	
54	LEI of the issuer	{LEI} of the issuer	
55	Security type	MEQU	
56	Loan value	995000	
68	Exclusive arrangements	FALSE	

Table 75 – Main index equities			
No	Field	Example	XML Message
			... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt>

d) Other securities without maturity

295. Table 76 illustrates the population of fields in case of the SFT involves securities that are not in the list provided by field 2.55 of Annex I of the ITS. In this case, field 2.55 should be populated with “other assets”. The nominal amount of the securities is 100,000 EUR (field 2.46 and field 2.48).
296. The type of asset is again a security (field 2.40) classified as CI**** (field 2.42). The security quality is not applicable to this kind of securities (field 2.51).
297. The securities were issued by a French issuer (field 2.53) identified by its LEI (field 2.54)
298. The security price is expressed in units and is 9.95 EUR (field 2.49 and field 2). The securities have no securities maturity date, therefore field 2.52 should be populated with the ISO 8601 standard “9999-12-31”.
299. The loan value of the SFT is 9,950,000 EUR (field 2.56) and the borrower has not exclusive access to borrow from the lender’s securities portfolio (field 2.68).

Table 76 – Other securities without maturity			
No	Field	Example	XML Message
40	Type of asset	SECU	<SctiesFincgRptgTxRpt>
41	Security identifier	{ISIN}	<TradData> <New>
42	Classification of a security	{CFI}	... <CtrPtyData>
46	Quantity or nominal amount	100,000	... </CtrPtyData> <LnData>
48	Currency of nominal amount	EUR	... <TxLnData>
49	Security or commodity price	99.5	<SctiesLndg> <AsstTp>
50	Price currency	EUR	<Scty> <Id>FRL0010877643</Id>
51	Security quality	NOAP	<Clssfctn>CI****</Clssfctn> <QtyOrNmnlVal>
52	Maturity of the security	9999-12-31	<NmnlVal Ccy="EUR">100000</n> </QtyOrNmnlVal>
53	Jurisdiction of the issuer	FR	<Qlty>NOAP</Qlty> <Mtrty>9999-12-31</Mtrty>

Table 76 – Other securities without maturity			
No	Field	Example	XML Message
54	LEI of the issuer	{LEI} of the issuer	<Issr> <LEI>
55	Security type	OTHR	FFFFFFFFFFFFFFFFFFFFFF</LEI> <JursdctnCtry>FR</JursdctnCtry>
56	Loan value	9,950,000	</Issr> <Tp> <Cd>OTHR</Cd> </Tp> <UnitPric> <MntryVal> <Amt Ccy="EUR">99.5</Amt> </MntryVal> </UnitPric> </Scty> </AsstTp> <LnVal>9950000</LnVal> <ExclsvArrgmnt>>false</ExclsvArrgmnt> </SctiesLndg> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt>
68	Exclusive arrangements	FALSE	

Q58. Do you agree with the approach to reporting securities on loan? Please detail the reasons for your response and include a reference to the specific table.

6.2.2.13 SFTs involving commodities – commodities lending

300. Table 77 illustrates the population of fields in case of the SFT involves commodities (field 2.40) with energy as base product (field 2.43), electricity as sub-product (field 2.44), and peak load as further sub-product (field 2.45).

301. The quantity of 1,000,000 (field 2.46) is measured in KilowattDayCapacity (field 47) with a price per KWHO of 5 EUR (field 49, and field 50).

302. The loan value is 5,000,000 (field 56).

Table 77 - SFTs involving commodities			
No	Field	Example	XML Message
40	Type of asset	COMM	<SctiesFincgRptgTxRpt> <TradData>
43	Base product	NRGY	<New> ...

Table 77 - SFTs involving commodities			
No	Field	Example	XML Message
44	Sub - product	ELEC	<CtrPtyData>
45	Further sub - product	PKLD	... </CtrPtyData> <LnData>
46	Quantity or nominal amount	1000000	... <TxLnData>
47	Unit of measure	KWHO	<SctiesLndg> <AsstTp>
49	Securities or commodities price	5	<Cmmdty> <Clssfctn>
50	Price currency	EUR	<Nrgy> <Elctrcty> <BasePdct>NRGY</BasePdct> <SubPdct>ELEC</SubPdct>
56	Loan value	5,000,000	<AddtlSubPdct>PKLD</AddtlSubPdct> </Elctrcty> </Nrgy> </Clssfctn> <Qty> <Val>1000000</Val> <UnitOfMeasr>KWHO</UnitOfMeasr> </Qty> <UnitPric> <MntryVal> <Amt Ccy="EUR">5</Amt> </MntryVal> </UnitPric> </Cmmdty> </AsstTp> <LnVal>5000000</LnVal> </SctiesLndg> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt>

Q59. Do you agree with the approach to reporting SFTs involving commodities? Please detail the reasons for your response and include a reference to the specific table.

6.2.2.14 Cash rebate SLB

303. Table 78 illustrates the population of fields in case of the counterparties agree on a floating rebate rate based on EONIA index (field 2.59) with a floating rebate rate reference time period of days (field 2.60) with an integer multiplier of the time period of 1 day (field 2.61).
304. The counterparties also agreed on a one-week basis frequency for in the floating rebate rate payment (field 2.62) and (field 2.63)
305. The floating rate will reset with a time period of days (field 2.64) with a multiplier of 1 day (field 2.65).
306. The number of basis points to be added to (or subtracted from in case of negative value which is allowed for this field) as spread to the floating interest rate in order to determine the interest rate of the loan are is “5” (field 2.66 – “5”).

Table 78 - Cash rebate SLB			
No	Field	Example	XML Message
58	Fixed rebate rate	-	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <SctiesLndg> ... <RbtRate> <Fltg> <RefRate> <Indx>EONA</Indx> </RefRate> <Term> <Unit>DAYS</Unit> <Val>1</Val> </Term> <PmtFrqcy> <Unit>WEEK</Unit> <Val>1</Val> </PmtFrqcy> <RstFrqcy> <Unit>DAYS</Unit> <Val>1</Val> </RstFrqcy> <BsisPtSprd>5</BsisPtSprd> </Fltg> </RbtRate> </SctiesLndg> </TxLnData> </pre>
59	Floating rebate rate	EONA	
60	Floating rebate rate reference period - time period	DAYS	
61	Floating rebate rate reference period - multiplier	1	
62	Floating rebate rate payment frequency - time period	WEEK	
63	Floating rebate rate payment frequency - multiplier	1	
64	Floating rebate rate reset frequency - time period	DAYS	
65	Floating rebate rate reset frequency - multiplier	1	
66	Spread of the rebate rate	5	

Table 78 - Cash rebate SLB			
No	Field	Example	XML Message
			<pre> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

Q60. Do you agree with the approach to reporting cash rebate SLBs? Please detail the reasons for your response and include a reference to the specific table.

6.2.2.15 Non-cash collateral SLB

307. Table 79 contain the value that is to be reported by counterparties in the field 67 "Lending fee" when they conclude a non-cash collateral, non-rebate SLB. The lending fee in this case is 1.23456% and is populated without the percentage sign which is expressed by xml tags.

Table 79 - Non-cash collateral			
No	Field	Example	XML Message
67	Lending fee	1.23456	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <SctiesLndg> ... <LndgFee>1.23456<?LndgFee> </SctiesLndg> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

Q61. Do you agree with the approach to reporting non-cash collateral SLBs? Please detail the reasons for your response and include a reference to the specific table.

6.2.2.16 Margin lending and short market value

308. The overall outstanding margin loan amount (field 2.69) should either be reported as 0 (when the client has an overall cash credit/is long cash) or as a positive value (when the client has an overall cash debit/is short cash in base currency). The base currency should be reported as defined in the bilateral agreement between a prime broker and its client.
309. The overall margin loan value is calculated on the basis of individual margin loan constituents by currency (fields 2.33 and 2.34). These fields should be repeated as many times as necessary to include all currencies used in the account. This will allow authorities to monitor client cash debit (i.e. margin loans) in individual currencies, as opposed to only a net debit in base currency, as well as cash credit in individual currencies used as collateral. In line with the overall margin lending amount, a net client debit in a given currency should be reported as a positive value together with the currency, while a net client credit should be reported as a negative value.
310. Short market value should always be populated with a value denominated in the margin loan base currency, as defined in the bilateral agreement (field 2.70). With regards to outstanding margin loan outstanding, any net cash credit used to collateralise the short market value should be reported as a negative value (field 2.33) together with its currency (field 2.34).
311. When the margin loan amount is 0 or when the client has a net cash credit in base currency, and the short market value is also 0, fields 2.33, 2.69 and 2.71 should all be populated with 0.
- a) Positive and negative balances in some currencies and credit in base currency
312. Table 80 illustrates the population of reporting fields in the case of a net debit in base currency, reflecting in this particular example a credit in USD and debits in GBP and EUR. For simplicity, the USD-EUR and GBP-EUR exchange rates in this example are equal to 1.

Table 80 - Positive and negative balances in some currencies and debit in base currency			
No	Field	Example	XML Message
33	Margin lending currency amount	-100000	<SciesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData>
34	Margin lending currency	USD	
33	Margin lending currency amount	50000	
34	Margin lending currency	GBP	
33	Margin lending currency amount	150000	

Table 80 - Positive and negative balances in some currencies and debit in base currency			
No	Field	Example	XML Message
34	Margin lending currency	EUR	<MrgnLndg> ...
69	Outstanding margin loan	100000	<OutsdngMrgnLnAmt>100000</OutsdngMrgnLnAmt>
70	Base currency of outstanding margin loan	EUR	<ShrtMktValAmt>0</ShrtMktValAmt> <Ccy>EUR</Ccy> <MrgnLnAttr> <Amt Ccy="USD">-100000</Amt> </MrgnLnAttr> <MrgnLnAttr> <Amt Ccy="GBP">50000</Amt> </MrgnLnAttr> <MrgnLnAttr> <Amt Ccy="EUR">150000</Amt> </MrgnLnAttr> </MrgnLndg> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt>
71	Short market value	0	

b) Credit in base currency and positive short market value

313. Table 81 illustrates the population of reporting fields in case of cash credit in base currency (GBP), therefore reported as 0, with cash credit in non-base currency (USD) used as collateral by the client to cover part of the short market value.

Table 81 - Credit in base currency and positive short market value			
No	Field	Example	XML Message
33	Margin lending currency amount	-100000	<SctiesFincgRptgTxRpt> <TradData> <New>
34	Margin lending currency	USD	... <CtrPtyData>
69	Outstanding margin loan	0	... </CtrPtyData>
70	Base currency of outstanding margin loan	GBP	<LnData> ... <TxLnData>
71	Short market value	500000	<MrgnLndg> ...

Table 81 - Credit in base currency and positive short market value			
No	Field	Example	XML Message
			<pre> <OutsdngMrgnLnAmt>0</OutsdngMrgnLnAmt> <ShrtMktValAmt>500000</ShrtMktValAmt> <Ccy>GBP</Ccy> <MrgnLnAttr> <Amt Ccy="USD">-100000</Amt> </MrgnLnAttr> </MrgnLndg> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

c) Credit in base currency and no short market value

314. Table 82 illustrates the population of reporting fields in case of cash credit in base currency (EUR) and no short market value. Since there is no margin loan outstanding or short market value, the cash credit is not reportable (since it is not used as collateral in a margin loan or short market value).

Table 82 - Credit in base currency and no short market value			
No	Field	Example	XML Message
33	Margin lending currency amount	0	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <MrgnLndg> ... <OutsdngMrgnLnAmt>0</OutsdngMrgnLnAmt> <ShrtMktValAmt>0</ShrtMktValAmt> <Ccy>GBP</Ccy> <MrgnLnAttr> <Amt Ccy="USD">0</Amt> </MrgnLnAttr> </MrgnLndg> </pre>
34	Margin lending currency	USD	
69	Outstanding margin loan	0	
70	Base currency of outstanding margin loan	EUR	
71	Short market value	0	

Table 82 - Credit in base currency and no short market value			
No	Field	Example	XML Message
			<pre> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

Q62. Do you agree with the approach to reporting margin loan data? Please detail the reasons for your response and include a reference to the specific table.

6.2.3 Collateral data

315. The sub-sequent sections emphasise the population of a given set of fields that share specific characteristics of the collateral of an SFT. This would allow the reporting counterparties to directly assess the information that they should report for each specific data section when it is applicable.

316. The validation rules contain the complete guidance on applicable fields per SFT type and Action type, as well as the relevant dependencies.

6.2.3.1 Uncollateralised SLB field 2.72

a) Yes

317. Table 83 shows how to report “Uncollateralised Securities Lending ('SL') flag” (field 2.72) when there is an uncollateralised lending of securities, but still organised as an SLB transaction.

Table 83 - Uncollateralised SLB - Yes			
No	Field	Example	XML Message
72	Uncollateralised Securities Lending ('SL') flag	true	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... </LnData> <CollData> <SctiesLndg> <Collsd> ... </pre>

Table 83 - Uncollateralised SLB - Yes			
No	Field	Example	XML Message
			</Collsd> </SctiesLndg> </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt>

b) No

318. Table 84 shows how to report “Uncollateralised Securities Lending ('SL') flag” (field 2.72) when the SLB transaction is collateralised or when the counterparties agree to collateralise the trade, but the specific allocation of collateral is not yet known.

Table 84 - Uncollateralised SLB - No			
No	Field	Example	XML Message
72	Uncollateralised Securities Lending ('SL') flag	false	<SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... </LnData> <CollData> <SctiesLndg> <Uncollsd> ... </Uncollsd> </SctiesLndg> </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt>

6.2.3.2 Collateralization

319. When collateralisation does not take place against a collateral basket, ESMA expects that the counterparties should report the relevant collateral elements.

320. When the collateral basket is not known at the time of reporting, field 2.96 should be populated with 'NTAV'.



a) Single transaction with basket

321. Table 85 illustrates the population of fields in case a single transaction is collateralised by a collateral basket (field 2.96) identified by the ISIN “GB00BH4HKS39”.

322. The value date of the collateral is the 24 April 2020 (field 2.74).

323. The the SFT is collateralised at transaction basis (field 2.73).

Table 85 - Single transaction with basket			
No	Field	Example	XML Message
73	Collateralisation of net exposure	false	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... </LnData> <CollData> <RpTrad> <CollValDt>2020-04-24</CollValDt> ... </RpTrad> </CollData> </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
74	Value date of the collateral	2020-04-24	
96	Collateral basket identifier	{ISIN} of the collateral basket	

b) Single transaction without basket at time of reporting

324. Table 86 illustrates the population of fields in case of a single transaction that is not collateralised by a collateral basket (field 2.96).

325. The value date of the collateral is the 24 April 2020 (field 2.74).

326. The SFT is collateralised at transaction basis (field 2.73).

Table 86 - Single transaction without basket at time of reporting			
No	Field	Example	XML Message

Table 86 - Single transaction without basket at time of reporting			
No	Field	Example	XML Message
73	Collateralisation of net exposure	false	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... </LnData> <CollData> <RpTrad> <CollValDt>2020-04-24</CollValDt> ... </RpTrad> </CollData> </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
74	Value date of the collateral	2020-04-24	
96	Collateral basket identifier	NTAV	

c) Net exposure basis with basket

327. Table 87 illustrates the population of fields in case a transaction is collateralised by a collateral basket (field 2.96) on a net exposure (field 2.73) identified by the ISIN “GB00BH4HKS39). The value date of the collateral is the 24 April 2020 (field 2.74).The collateralisation of the transaction is on a net exposure basis (field 2.73).

Table 87 - Net exposure basis with basket			
No	Field	Example	XML Message
73	Collateralisation of net exposure	true	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... </LnData> </pre>
74	Value date of the collateral	2020-04-24	
96	Collateral basket identifier	{ISIN} of the collateral basket	

Table 87 - Net exposure basis with basket			
No	Field	Example	XML Message
			<pre> <CollData> <RpTrad> <CollValDt>2020-04- 24</CollValDt> ... <NetXpsrCollstnInd>TRUE</NetXpsrCollstn Ind> <Bsktldr> <Id>GB00BH4HKS39</Id> </Bsktldr> </RpTrad> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

d) Net exposure basis without basket at time of reporting

328. Table 88 illustrates the population of fields in case a transaction is not collateralised by a collateral basket (field 2.96) is populated with NTAV on a net exposure, i.e. (field 2.73) is populated with "true". The value date of the collateral is the 24 April 2020 (field 2.74) is populated with "2020-04-24".

329. The collateralisation of the transaction is on a net exposure basis (field 2.73).

Table 88 - Net exposure basis without basket at time of reporting			
No	Field	Example	XML Message
73	Collateralisation of net exposure	true	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... </LnData> <CollData> <RpTrad> <CollValDt>2020-04- 24</CollValDt> ... <NetXpsrCollstnInd>TRUE</NetXpsrCollstn Ind> <Bsktldr> </pre>
74	Value date of the collateral	2020-04-24	
96	Collateral basket identifier	NTAV	

Table 88 - Net exposure basis without basket at time of reporting

No	Field	Example	XML Message
			<pre> <NotAvlbl>NTAV</NotAvlbl> </Bsktldr> </RpTrad> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

Q63. Do you agree with the approach to reporting collateralisation? Please detail the reasons for your response and include a reference to the specific table.

6.2.3.3 Cash collateral

330. Table 89 illustrates the reporting of fields in case of a transaction is collateralised by a cash collateral of 1,000,000 EUR (field 2.76 and field 2.77).

Table 89 - Cash collateral

No	Field	Example	XML Message
74	Value date of the collateral	2020-04-24	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... </LnData> <CollData> <RpTrad> <CollValDt>2020-04- 24</CollValDt> <AsstTp> ... <Csh> <Amt Ccy="EUR">100000</Amt> </Csh> ... </AsstTp> ... </RpTrad> ... </CollData> ... </New> </TradData> ... </pre>
76	Cash collateral amount	1000000	
77	Cash collateral currency	EUR	

Table 89 - Cash collateral			
No	Field	Example	XML Message
			</SctiesFincgRptgTxRpt>

Q64. Do you agree with the approach to reporting cash collateral? Please detail the reasons for your response and include a reference to the specific table.

6.2.3.4 Security collateral fields

a) Haircut

331. Counterparties must report collateral data in line with Table 2 found in the Annex to the RTS on Reporting. The below tables specify the format of the data to be reported in the relevant fields, in line with the SFTR Validation Rules for Reporting.

332. Collateral market value (field 2.88) may be reported at fair value either including or excluding the haircut or margin. ESMA proposes that the value reported should include *all* of the collateral posted by the collateral giver, i.e. before the haircut deduction. Considering that the haircut or margin % is usually fixed, this should make it easier for counterparties to report this field, as entities might otherwise need to calculate a value based on the collateral transferred minus the haircut or margin. Any net exposure change and collateral update may also be reported directly without going through additional calculation steps. Moreover, this should allow authorities to assess more immediately the degree of under or over-collateralization on an aggregate basis.

Q65. Do you agree with the proposed approach? Please detail the reasons for your response.

333. Haircut or margin (field 2.89) should be reported at ISIN level as a % of collateral for all SFTs. The haircut should be calculated in line with the FSB and BCBS haircut framework. When different haircuts or margins are used for collateral securities as part of a single transaction, they should be calculated using the following formula (the “discounted collateral value” is the market value of the collateral reduced by the haircut % agreed between the counterparties):

$$\text{Haircut or margin} = 100 * \left(\frac{\text{Collateral market value (field 88)}}{\text{Discounted collateral value}} - 1 \right)$$

334. In the case of a portfolio-level haircut or margin (i.e. where a single haircut is applied to the entire collateral portfolio), the same formula applies to the entire portfolio. As specified in the final report, portfolio-level haircut or margin should also be reported at ISIN-level, i.e. it should be repeated for each ISIN in the portfolio and for cash (if it is included):

$$\text{Portfolio level haircut or margin} = 100 * \left(\frac{\sum \text{Collateral market value (field 88)} + \sum \text{Cash collateral amount (field 76)}}{\sum \text{Discounted collateral value}} - 1 \right)$$



335. For example, Table 90 shows collateral data from an SLB where securities worth 100.000 EUR are borrowed against 100.000 EUR in cash collateral (field 2.76 and field 2.77), i.e. no haircut, meaning that the haircut should be reported as 0 (field 2.89). There are no securities provided as collateral, so field 2.88 is populated with “0”.

Table 90 –Cash collateral with no haircut			
No	Field	Example	XML Message
76	Cash collateral amount	100000	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... </LnData> <CollData> <RpTrad> ... <AsstTp> ... </AsstTp> </RpTrad> </CollData> <Csh> <Amt Ccy="EUR">100000</Amt> <HrcutOrMrgn>0</HrcutOrMrgn> </Csh> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>
77	Cash collateral currency	EUR	
88	Collateral market value	0	
89	Haircut or margin	0	

336. Similarly, Table 91 shows a security on loan worth 100,000 EUR collateralised with 105,000 USD in cash (field 2.76 and field 2.77). Assuming in this example that the USD-EUR conversion rate is 1, the haircut is equal to 5% and should be reported as 5 (field 2.89).

Table 91 Haircut on Cash collateral in foreign currency

No	Field	Example	XML Message
76	Cash collateral amount	105000	<SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... </LnData> <CollData> <RpTrad> ... <AsstTp> <Csh> <Amt Ccy="USD">105000</Amt> <HrcutOrMrgn>5</HrcutOrMrgn> </Csh> ... </AsstTp> ... </RpTrad> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt>
77	Cash collateral currency	USD	
88	Collateral market value	0	
89	Haircut or margin	5	

337. In the “Mixed” collateral example (Table 92) below, a security on loan worth 100,000 EUR is collateralised with 50,000 EUR (field 2.76) in cash collateral (no haircut) and 52,000 EUR (field 2.88) in non-cash collateral (4% haircut) (field 89). Note that “Haircut or margin” (field 2.89) is repeated to populate the haircut corresponding to each collateral element.

No	Field	Example	XML Message
76	Cash collateral amount	50000	<SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... </LnData> <CollData> <RpTrad>
77	Cash collateral currency	EUR	
89	Haircut or margin	0	
88	Collateral market value	52000	
89	Haircut or margin	4	

Table 92 – Haircuts on “mixed” collateral			
No	Field	Example	XML Message
			<pre> ... <AsstTp> <Scty> <Id> ... <MktVal>52000</MktVal> <HrcutOrMrgn>4</HrcutOrMrgn> ... </Id> </Scty> <Csh> <Amt Ccy="EUR">50000</Amt> <HrcutOrMrgn>0</HrcutOrMrgn> </Csh> ... </AsstTp> ... </RpTrad> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

338. In the case of repos, SBB and SLB, under- or over-collateralization resulting from valuation changes should not result in a change to field 89, unless this leads to a renegotiation of haircut or margin originally agreed in the contract. Negative haircuts may be reported to the extent that SFTs are undercollateralized, i.e. that the value of the collateral provided is smaller than the value of the loan upon conclusion of the trade. The sign of the haircut should not vary with the counterparty side.

339. In situations where the transaction is collateralized with a basket of securities (with or without cash) and a single haircut applies to the entire collateral portfolio, the same haircut should be reported for each collateral component (individual ISIN and cash) in the portfolio, as in Table 93 below. A loan worth 150,000 EUR is collateralised with two securities, 110,000 EUR in security A and 55,000 in security B. The total collateral market value posted is 160,000 EUR, i.e. a 10% portfolio-level haircut which is repeated in field 2.89 for each ISIN. Similarly, for collateralization on a net exposure basis (field 2.73), the same haircut should be reported for each individual security.

Table 93 – Haircut on collateral portfolio			
No	Field	Example	XML Message
88	Collateral market value	110000	<SctiesFincgRptgTxRpt>

Table 93 – Haircut on collateral portfolio			
No	Field	Example	XML Message
89	Haircut or margin	10	<pre> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... </LnData> <CollData> <RpTrad> ... <AsstTp> <Scty> <Id> ... <MktVal>110000</MktVal> <HrcutOrMrgn>10</HrcutOrMrgn> ... </Id> </Scty> <Scty> <Id> ... <MktVal>55000</MktVal> <HrcutOrMrgn>10</HrcutOrMrgn> ... </Id> </Scty> ... </AsstTp> ... </RpTrad> ... </CollData> ... </New> </TradData> ... </SciesFincgRptgTxRpt> </pre>
88	Collateral market value	55000	
89	Haircut or margin	10	

340. For margin lending, the margin requirement applied to the entire collateral portfolio should also be reported in %. Since prime broker's margin is in excess of the collateral, a 200,000 EUR margin requirement on a collateral portfolio with a market value of 1,000,000EUR should be reported as 20%.



Q66. Do you agree with the proposed approach for calculating collateral haircuts or margin? Please provide justification for your response.

b) Collateral Type

341. Collateral type (field 2.94) should be reported by counterparties with one of the following values:

- a. 'GOVS' - Government securities
- b. 'SUNS' - Supra-nationals and agencies securities
- c. 'FIDE' - Debt securities (including covered bonds) issued by banks and other financial institutions
- d. 'NFID' - Corporate debt securities (including covered bonds) issued by non-financial institutions
- e. 'SEPR' - Securitized products (including ABS, CDO, CMBS, RMBS, ABCP)
- f. 'MEQU' - Main index equities (including convertible bonds)
- g. 'OEQU' - Other equities (including convertible bonds)
- h. 'OTHR' - Other assets (including shares in mutual funds)

342. For the definition of government securities, reporting entities should use as reference footnote 19 of FSB standards on SFT data collection and rely on Basel III standardised approach. If one of the counterparties is not covered by the Basel III approach, then the counterparties need to agree on the value to be reported for this field.

343. The distinction between “Main index equities” and “Other equities” is in line with the FSB standards. However, it was left to FSB members to decide which indices should qualify, provided that these are defined in accordance with the implementation of the FSB/BCBS framework on haircuts in non-centrally cleared SFTs.

344. The ESMA Implementing Technical Standards on main indices and recognised exchanges under the Capital Requirements Regulation (CRR)¹⁸ include a list of main indices (Annex I, Tables 1 and 2). The list includes equity and convertible bonds indices covering assets inside and outside the EU. ESMA proposes that this list should be used as reference to classify equities and convertible bonds as “Main index” or “Other”. As detailed in paragraph 284, ESMA will take into account also the feedback to the consultation on amendment to the aforementioned standards.

Q67. Do you agree with the proposed approach for reporting collateral type field? Please detail the reasons for your response.

c) Availability for collateral reuse

345. Counterparties should populate the field only taking into account contractual ability to reuse collateral, not any operational/technical constraints (such as temporary unavailability or asset encumbrance). Therefore, when “Method used to provide

¹⁸ Commission implementing regulation (EU) 2016/1646 of 13 September 2016 (<https://eur-lex.europa.eu/legal-content/GA/TXT/?uri=CELEX:32016R1646>)

collateral” (field 2.20) is reported as “TTCA” or “SIUR”, “Availability for collateral reuse” (field 2.95) should be populated with “TRUE”, even though the entity might be bound operationally to not use it, e.g. CCP when it passes the SFT collateral from one CM to the other.

Q68. Do you agree with the proposed approach for reporting Availability for collateral reuse? Please detail the reasons for your response.

d) Identification of security and LEI of issuer

346. SFTR requires the identification of securities with ISIN and the identification of entities with LEI. When reporting this information, the counterparties should ensure that there is correspondence between the ISIN and the LEI of issuer reported in accordance with the validation rules.

347. ESMA understands that the vast majority of securities used as collateral already have an ISIN. Moreover, CSDR requires the use of ISIN and LEI for any new security issued, implying that the residual absence of ISIN and LEI information for securities that are settled in the EU is bound to disappear.

Q69. Do you agree with the proposed approach for reporting fields Identification of security and LEI of issuer? Are you aware of instances where securities provided as collateral do not have an ISIN? Please detail the reasons for your response.

e) Plain vanilla Bonds

348. Table 94 illustrates the reporting of plain-vanilla bonds used as collateral the 24 April 2020 with the same value date.

349. In this case 102,000,000 EUR in German government debt securities identified by ISIN “DE0010877643” and classified as “DB*TF*” with a 2% haircut and maturity date on 22 April 2030 were used to collateralise a repo with a principal amount of 100,000,000 EUR. The quality of the securities is investment grade – “INVG” and the collateral is available for subsequent reuse.

Table 94 - Plain vanilla Bonds			
No	Field	Example	XML Message
3	Event date	2020-04-24	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <EvtDt>2020-04-24</EvtDt> ... </LnData> <CollData> <RpTrad> </pre>
74	Value date of the collateral	2020-04-24	
78	Identification of a security used as collateral	{ISIN}	
79	Classification of a security used as collateral	{CFI}	
83	Collateral quantity or nominal amount	100000000	
84	Collateral unit of measure		

Table 94 - Plain vanilla Bonds			
No	Field	Example	XML Message
85	Currency of collateral nominal amount	EUR	<CollValDt>2020-04-24</CollValDt>
86	Price currency	EUR	<AsstTp> <Scty>
87	Price per unit	102	<Id> <Id> DE0010877643</Id>
88	Collateral market value	102000000	<ClssfctnTp> DB*TF*</ClssfctnTp>
89	Haircut or margin	2	<QtyOrNmnlVal> <NmnlVal Ccy="EUR">100000000</NmnlVal>
90	Collateral quality	INVG	</QtyOrNmnlVal> <UnitPric>
91	Maturity date of the security	2030-04-22	<MntryVal> <Amt
92	Jurisdiction of the issuer	DE	Ccy="EUR">102</Amt> </MntryVal>
93	LEI of the issuer	{LEI} of the issuer	... </UnitPric>
94	Collateral type	GOVS	<MktVal>102000000</MktVal>
95	Availability for collateral reuse	true	<HrcutOrMrgn>0,02</HrcutOrMrgn> <Qty>INVG</Qty> <Mtrty>2030-04-22</Mtrty> <Issr> <LEI>SSSSSSSSSSSSSSSSSSSSSSSS</LEI> <JursdctnCtry>DE</JursdctnCtry> </Issr> <Tp> <Cd>GOVS</Cd> </Tp> <AvlblForCollReuse>TRUE</AvlblForCollReuse> </Id> </Scty> </AsstTp> ... </RpTrad> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt>

Q70. Do you agree with the proposed approach for reporting plain vanilla bonds as collateral? Please detail the reasons for your response.

f) Perpetual bonds

350. Table 95 illustrates the reporting of 102,000,000 EUR of Spanish government perpetual bonds are used as collateral. A haircut of 2% is applied. The securities are investment grade – “INVG” and the collateral is available for subsequent reuse.

Table 95 - Perpetual bonds			
No	Field	Example	XML Message
3	Event date	2020-04-24	<pre> <SciesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <EvtDt>2020-04-242020-04- 24</EvtDt> ... </LnData> <CollData> <RpTrad> <CollValDt>2020-04-242020-04- 24</CollValDt> <AsstTp> <Scty> <Id> <Id>ES0010877643</Id> <ClssfctnTp> DB*TP* </ClssfctnTp> <QtyOrNmnlVal> <NmnlVal Ccy="EUR">100000000</NmnlVal> </QtyOrNmnlVal> <UnitPric> <MntryVal> <Amt Ccy="EUR">102</Amt> </MntryVal> ... </UnitPric> </MktVal>102000000</MktVal> </HrcutOrMrgn>0,02</HrcutOrMrgn> <Qty>INVG</Qty> <Mtrty>2030-04-22</Mtrty> </pre>
74	Value date of the collateral	2020-04-24	
78	Identification of a security used as collateral	{ISIN}	
79	Classification of a security used as collateral	{CFI}	
83	Collateral quantity or nominal amount	100000000	
84	Collateral unit of measure		
85	Currency of collateral nominal amount	EUR	
86	Price currency	EUR	
87	Price per unit	102	
88	Collateral market value	102000000	
89	Haircut or margin	2	
90	Collateral quality	INVG	
91	Maturity date of the security	9999-12-31	
92	Jurisdiction of the issuer	ES	
93	LEI of the issuer	{LEI} of the issuer	
94	Collateral type	GOVS	
95	Availability for collateral reuse	true	

Table 95 - Perpetual bonds			
No	Field	Example	XML Message
			<pre> <Issr> <LEI> EEEEEEEEEEEEEEEEEEEE </LEI> <JurisdictionCtry>ES</JurisdictionCtry> </Issr> <Tp> <Cd>GOVS</Cd> </Tp> <AvblForCollReuse>TRUE</AvblForCollReuse> </Id> </Scty> </AsstTp> ... </RpTrad> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

Q71. Do you agree with the proposed approach for reporting perpetual bonds as collateral? Please detail the reasons for your response.

g) Main Index Equities

351. Table 96 illustrates the reporting of main index equities “MEQU” used as collateral, in this case 105,000,000 EUR in French CAC40 equities, with CFI code E***** with a 10% haircut (e.g. to collateralise a securities loan with a market value of around 95,455,000 EUR). The field collateral quality is populated with “NOAP”, as rating is not applicable for these securities. They are available for subsequent reuse.

Table 96 - Main Index Equities			
No	Field	Example	XML Message
3	Event date	2020-04-24	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... </pre>
74	Value date of the collateral	2020-04-24	
78	Identification of a security used as collateral	{ISIN}	
79	Classification of a security used as	{CFI}	

Table 96 - Main Index Equities			
No	Field	Example	XML Message
	collateral		<EvtDt>2020-04-24</EvtDt>
83	Collateral quantity or nominal amount	10000000	... </LnData>
84	Collateral unit of measure		<CollData> <RpTrad>
85	Currency of collateral nominal amount	EUR	<CollValDt>2020-04-24</CollValDt>
86	Price currency	EUR	<AsstTp> <Scty>
87	Price per unit	10.5	<Id> <Id>FR0010877643</Id>
88	Collateral market value	105000000	<ClssfctnTp> E*****</ClssfctnTp>
89	Haircut or margin	10	<QtyOrNmnlVal> <NmnlVal Ccy="EUR">100000000</NmnlVal>
90	Collateral quality	NOAP	</QtyOrNmnlVal> <UnitPric>
91	Maturity date of the security	9999-12-31	<MntryVal> <Amt Ccy="EUR">10.5</Amt>
92	Jurisdiction of the issuer	FR	</MntryVal> ... </UnitPric>
93	LEI of the issuer	{LEI} of the issuer	<MktVal>105000000</MktVal>
94	Collateral type	MEQU	<HrcutOrMrgn>0.1</HrcutOrMrgn> <Qlty>NOAP</Qlty> <Mtrty>2030-04-22</Mtrty> <Issr> <LEI> FFFFFFFFFFFFFFFFFFFFFF </LEI>
95	Availability for collateral reuse	true	<JursdctnCtry>FR</JursdctnCtry> </Issr> <Tp> <Cd>MEQU</Cd> </Tp> <AvlblForCollReuse>TRUE</AvlblForCollReuse> </Id> </Scty> </AsstTp> ... </RpTrad> ... </CollData> ... </New>

Table 96 - Main Index Equities			
No	Field	Example	XML Message
			<pre> </TradData> ... </SciesFincgRptgTxRpt> </pre>

Q72. Do you agree with the proposed approach for reporting main index equities as collateral? Please detail the reasons for your response.

- a. Net exposure - Variation margining with additional provision of securities by the collateral provider

352. Table 97 illustrates a variation margin update to the plain-vanilla bond example in Table 94: a 1,000,000 increase in the nominal amount of collateral to compensate for a decline in the price of the bond price from 102 to 100.99, as reported by the collateral provider. Collateral giver and collateral taker should both report in exactly the same way the information on collateral, as detailed below.

Table 97 - Variation margin update to the plain-vanilla bond			
No	Field	Example	XML Message
1.9	Counterparty side	GIVE	<pre> <SciesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... <CtrPtyData> <RptgCtrPty> ... <Sd>GIVE</Sd> </RptgCtrPty> <OthrCtrPty> ... <Brnch> <Id> <LEI>AAAAAAAAAAAAAAAAAAAA</LEI> </Id> </Brnch> ... </OthrCtrPty> ... </CtrPtyData> </CtrPtyData> <LnData> ... <EvtDt>2020-04-24</EvtDt> ... </LnData> <CollData> <RpTrad> <CollValDt>2020-04- </pre>
1.18	Agent lender	{LEI} of the agent lender	
3	Event date	2020-04-24	
9	Master agreement	GMRA	
74	Value date of the collateral	2020-04-24	
78	Identification of a security used as collateral	{ISIN}	
79	Classification of a security used as collateral	{CFI}	
83	Collateral quantity or nominal amount	101000000	
84	Collateral unit of measure		
85	Currency of collateral nominal amount	EUR	
86	Price currency	EUR	
87	Price per unit	100.99	
88	Collateral market value	102000000	
89	Haircut or margin	2	

Table 97 - Variation margin update to the plain-vanilla bond

No	Field	Example	XML Message
90	Collateral quality	INVG	24</CollValDt>
91	Maturity date of the security	2030-04-22	<AsstTp> <Scty> <Id>
92	Jurisdiction of the issuer	DE	<Id>DE0010877643</Id> <ClssfctnTp>
93	LEI of the issuer	{LEI} of the issuer	DB*TF*</ClssfctnTp> <QtyOrNmnlVal> <NmnlVal>
94	Collateral type	GOVS	Ccy="EUR">101000000</NmnlVal> </QtyOrNmnlVal> <UnitPric> <MntryVal> <Amt>
95	Availability for collateral reuse	true	Ccy="EUR">100,99</Amt> </MntryVal> ... </UnitPric> <MktVal>102000000</MktVal> <HrcutOrMrgn>0,02</HrcutOrMrgn> <Qty>INVG</Qty> <Mtrty>2030-04-22</Mtrty> <Issr> <LEI>SSSSSSSSSSSSSSSSSSSSSSSS</LEI> <JursdctnCtry>DE</JursdctnCtry> </Issr> <Tp> <Cd>GOVS</Cd> </Tp> <AvlblForCollReuse>TRUE</AvlblForCollReuse> </Id> </Scty> </AsstTp> ... </RpTrad> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt>

Q73. Do you agree with the proposed approach for reporting variation margining with additional provision of securities by the collateral provider? Please detail the reasons for your response.

h) Net exposure - Variation margining with return of the same securities to the collateral provider.

353. Table 98 illustrates a different variation margin update to the plain-vanilla bond example in Table 94 - a 1,000,000 EUR decrease in the nominal amount of collateral to compensate for an increase in the price of the bond price from 102 to 103.03, as reported by the collateral provider. Collateral giver and collateral taker should both report in exactly the same way the information on collateral, as detailed below.

Table 98 - Variation margining with return of the same securities to the collateral provider			
No	Field	Example	XML Message
1.9	Counterparty side	GIVE	<pre> <SciesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... <CtrPtyData> <RptgCtrPty> ... <Sd>GIVE</Sd> </RptgCtrPty> <OthrCtrPty> ... <Brnch> <Id> <LEI>AAAAAAAAAAAAAAAAAAAA</LEI> </Id> </Brnch> ... </OthrCtrPty> ... </CtrPtyData> </CtrPtyData> <LnData> ... <EvtDt>2020-04-24</EvtDt> ... <TxLnData> <RpTrad> ... <MstrAgrmt> <Tp> <Tp>GMRA</Tp> </Tp> ... </MstrAgrmt> </pre>
1.18	Agent lender	{LEI}	
3	Event date	2020-04-24	
9	Master agreement	GMRA	
74	Value date of the collateral	2020-04-24	
78	Identification of a security used as collateral	{ISIN}	
79	Classification of a security used as collateral	{CFI}	
83	Collateral quantity or nominal amount	99000000	
84	Collateral unit of measure		
85	Currency of collateral nominal amount	EUR	
86	Price currency	EUR	
87	Price per unit	103.03	
88	Collateral market value	102000000	
89	Haircut or margin	2	
90	Collateral quality	INVG	
91	Maturity date of the security	2030-04-22	

Table 98 - Variation margining with return of the same securities to the collateral provider

No	Field	Example	XML Message
92	Jurisdiction of the issuer	DE	...
93	LEI of the issuer	{LEI} of the issuer	</RpTrad> </TxLnData> </LnData> <CollData> <RpTrad>
94	Collateral type	GOVS	<CollValDt>2020-04-24</CollValDt> <AsstTp> <Scty> <Id> <Id>NL0010877643</Id> <ClssfctnTp> DB*TF*</ClssfctnTp> <QtyOrNmnlVal> <NmnlVal Ccy="EUR">99000000</NmnlVal> </QtyOrNmnlVal> <UnitPric> <MntryVal> <Amt Ccy="EUR">103.03</Amt> ...
95	Availability for collateral reuse	true	</MntryVal> </UnitPric> <MktVal>102000000</MktVal> <HrcutOrMrgn>0.02</HrcutOrMrgn> <Qlty>INVG</Qlty> <Mtrty>2030-04-22</Mtrty> <Issr> <LEI>88888888888888888888</LEI> <JursdctnCtry>DE</JursdctnCtry> </Issr> <Tp> <Cd>GOVS</Cd> </Tp> <AvlblForCollReuse>TRUE</AvlblForCollReuse> </Id> </Scty> </AsstTp> ...
			</RpTrad> ...

Table 98 - Variation margining with return of the same securities to the collateral provider			
No	Field	Example	XML Message
			<pre> </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

Q74. Do you agree with the proposed approach for reporting variation margining with return of the same securities to collateral provider? Please detail the reasons for your response.

- i) Net exposure - Variation margining with return of equivalent, but not the same securities to collateral provider

354. Table 99 illustrates a more complex variation margin update to the plain-vanilla bond example in Table 94. In this example, the German government bond price also increased from 102 to 103.3 (as in Table 96), but the collateral taker needs German government bonds while the collateral provider needs French government bonds (for unspecified reasons). The two counterparties agree to the following substitution: the collateral provider posts an additional 1,000,000 EUR in nominal amount of German government bond collateral, while the collateral taker returns 2,000,000 EUR in nominal amount of French government bond collateral. The 2,060,000 EUR excess German bond collateral market value is compensated by 2,060,000 EUR in the French bond collateral market value flowing in the opposite direction (i.e. with a negative sign), restoring the initial net collateral balance.

355. It should be noted that the fields applicable to securities in the repeatable section of the collateral data are repeated twice in order to report all the relevant details. Both securities are available for subsequent reuse.

356. Collateral giver and collateral taker should both report in exactly the same way the information on collateral, as detailed below.

Table 99 - Net exposure - Variation margining with return of equivalent, but not the same securities to collateral provider			
No	Field	Example	XML Message
1.9	Counterparty side	GIVE	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... <CtrPtyData> <RptgCtrPty> ... <Sd>GIVE</Sd> </pre>
1.18	Agent lender	{LEI} of the issuer	
3	Event date	2020-04-24	
9	Master agreement	GMRA	
74	Value date of the collateral	2020-04-24	

Table 99 - Net exposure - Variation margining with return of equivalent, but not the same securities to collateral provider

No	Field	Example	XML Message
78	Identification of a security used as collateral	{ISIN}	</RptgCtrPty> <OthrCtrPty>
79	Classification of a security used as collateral	{CFI}	... <Brnch> <Id>
83	Collateral quantity or nominal amount	101000000	<LEI>AAAAAAAAAAAAAAAAAAAA</LEI> </Id>
84	Collateral unit of measure		</Brnch>
85	Currency of collateral nominal amount	EUR	... </OthrCtrPty>
86	Price currency	EUR	... </CtrPtyData>
87	Price per unit	103.03	</CtrPtyData> <LnData>
88	Collateral market value	104060000	... <EvtDt>2020-04-24</EvtDt>
89	Haircut or margin	2	... <TxLnData>
90	Collateral quality	INVG	<RpTrad>
91	Maturity date of the security	2030-04-22	... <MstrAgrmt>
92	Jurisdiction of the issuer	DE	<Tp> <Tp>GMRA</Tp> </Tp>
93	LEI of the issuer	{LEI} of the issuer	... </MstrAgrmt>
94	Collateral type	GOVS	... </RpTrad>
95	Availability for collateral reuse	TRUE	</TxLnData> </LnData> <CollData>
78	Identification of a security used as collateral	{ISIN}	<RpTrad> <CollValDt>2020-04-24</CollValDt>
79	Classification of a security used as collateral	{CFI}	<AsstTp> <Scty> <Id>
83	Collateral quantity or nominal amount	-2000000	<Id>DE0010877643</Id> <ClssfctnTp>
84	Collateral unit of measure		DB*TF*</ClssfctnTp> <QtyOrNmnlVal> <NmnlVal
85	Currency of collateral nominal amount	EUR	Ccy="EUR">101000000</NmnlVal> </QtyOrNmnlVal>
86	Price currency	EUR	<UnitPric> <MntryVal> <Amt

Table 99 - Net exposure - Variation margining with return of equivalent, but not the same securities to collateral provider

No	Field	Example	XML Message
87	Price per unit	1,03	Ccy="EUR">103.03</Amt>
88	Collateral market value	2060000	... </MntryVal>
89	Haircut or margin	2	... </UnitPric>
90	Collateral quality	INVG	<MktVal>104060000</MktVal>
91	Maturity date of the security	2030-04-22	<HrcutOrMrgn>0,02</HrcutOrMrgn> <Qty>INVG</Qty> <Mtrty>2030-04-22</Mtrty>
92	Jurisdiction of the issuer	FR	<Issr>
93	LEI of the issuer	{LEI} of the issuer	<LEI>88888888888888888888</LEI>
94	Collateral type	GOVS	<JursdctnCtry>DE</JursdctnCtry> </Issr> <Tp> <Cd>GOVS</Cd> </Tp>
95	Availability for collateral reuse	true	<AvlblForCollReuse>TRUE</AvlblForCollReuse> </Id> </Scty> <Scty> <Id> <Id>DE0010877643</Id> <ClssfctnTp> DB*TF* </ClssfctnTp> <QtyOrNmnlVal> <NmnlVal Ccy="EUR">- 2000000</NmnlVal> </QtyOrNmnlVal> <UnitPric> <MntryVal> <Amt Ccy="EUR">1.03</Amt> ... </MntryVal> ... </UnitPric> <MktVal>2060000</MktVal> <HrcutOrMrgn>2</HrcutOrMrgn> <Qty>INVG</Qty> <Mtrty>2030-04-22</Mtrty> <Issr> <LEI>88888888888888888888</LEI>

Table 99 - Net exposure - Variation margining with return of equivalent, but not the same securities to collateral provider

No	Field	Example	XML Message
			<pre> <JursdctnCtry>FR</JursdctnCtry> </Issr> <Tp> <Cd>GOVS</Cd> </Tp> <AvlblForCollReuse>TRUE</AvlblForCollR euse> </ld> </Scty> </AsstTp> ... </RpTrad> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

Q75. Do you agree with the proposed approach for reporting variation margining with return of different securities to the collateral provider? Please detail the reasons for your response.

6.2.3.5 Prepaid collateral

357. When reporting the explicit collateral allocation for a net exposure, the collateral update would specify the LEIs of the counterparties, master agreement, value date of the collateral and the specific collateral allocation, so that the collateral update can be linked to the existing SFTs.

358. The event date specifies the actual settlement date of the collateral. Identifying to which trades the collateral update for a net outstanding amount applies will be done by comparing LEIs of the counterparties, master agreement and the date fields of the original trade report and provided in the collateral update. In the example below in Table 100, the collateral should be reported based on actual settlement that occurred on 23/04/2020, specified as “Event Date” (field 2.3). The “Value date of collateral” (field 2.74) specifies the date as of which the collateral update applies to the outstanding loans (i.e. the collateral is not “pre-paid” anymore from 24/04/2020). Therefore, to determine to which SFTs the collateral update applies, the value date of collateral would be related to the value date and the maturity date of the SFTs that have the same LEIs of the counterparties and the same master agreement.

Table 100 - Prepaid collateral			
No	Field	Example	XML Message
3	Event date	2020-04-23	<pre> <SciesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... <CtrPtyData> <RptgCtrPty> ... <Sd>GIVE</Sd> </RptgCtrPty> <OthrCtrPty> ... <Brnch> <Id> <LEI>AAAAAAAAAAAAAAAAAAAA</LEI> </Id> </Brnch> ... </OthrCtrPty> ... </CtrPtyData> </CtrPtyData> <LnData> ... <EvtDt>2020-04-24</EvtDt> ... <TxLnData> <RpTrad> ... <MstrAgrmt> <Tp> <Tp>GMRA</Tp> </Tp> ... </MstrAgrmt> ... </RpTrad> </TxLnData> </LnData> <CollData> <RpTrad> <CollValDt>2020-04- 24</CollValDt> <AsstTp> <Scty> <Id> <Id>DE0010877643</Id> </Id> </Scty> </AsstTp> </RpTrad> </CollData> </New> </TradData> </SciesFincgRptgTxRpt> </pre>
74	Value date of the collateral	2020-04-24	
78	Identification of a security used as collateral	{ISIN}	
79	Classification of a security used as collateral	{CFI}	
83	Collateral quantity or nominal amount	100000000	
84	Collateral unit of measure	-	
85	Currency of collateral nominal amount	EUR	
86	Price currency	EUR	
87	Price per unit	102	
88	Collateral market value	102000000	
89	Haircut or margin	2	
90	Collateral quality	INVG	
91	Maturity date of the security	2030-04-22	
92	Jurisdiction of the issuer	DE	
93	LEI of the issuer	{LEI} of the issuer	
94	Collateral type	GOVS	
95	Availability for collateral reuse	true	

Table 100 - Prepaid collateral			
No	Field	Example	XML Message
			<pre> <ClssfctnTp> DB*TF* </ClssfctnTp> <QtyOrNmnlVal> <NmnlVal Ccy="EUR">100000000</NmnlVal> </QtyOrNmnlVal> <UnitPric> <MntryVal> <Amt Ccy="EUR">102</Amt> ... </MntryVal> ... </UnitPric> <MktVal>102000000</MktVal> <HrcutOrMrgn>0.02</HrcutOrMrgn> <Qty>INVG</Qty> <Mtrty>2030-04-22</Mtrty> <Issr> <LEI>88888888888888888888</LEI> <JursdctnCtry>DE</JursdctnCtry> </Issr> <Tp> <Cd>GOVS</Cd> </Tp> <AvlblForCollReuse>TRUE</AvlblForCollR euse> </Id> </Scty> </AsstTp> ... </RpTrad> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

Q76. Do you agree with the proposed approach for reporting prepaid collateral? Please detail the reasons for your response.



6.2.3.6 Portfolio of Cleared transactions

359. When reporting this field, the counterparties should ensure that they use the code consistently in their reports. If a code identifies a portfolio that collateralises transactions comprising also derivatives, the counterparties should use the code used when reporting under EMIR, in this case Portfolio code (field 2.97) should be reported with “EMIRSFTRCODE1” as shown in Table 101.

Table 101 - Portfolio of Cleared transactions			
No	Field	Example	XML Message
97	Portfolio code	EMIRSFTRC ODE1	<pre> <SctiesFincgRptgTxRpt> <TradData> <New> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... <TxLnData> <RpTrad> <ClrSts> <Clrd> ... </Clrd> </ClrSts> </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> </New> </TradData> ... <PrfICd>EMIRSFTRCODE1</PrfICd> </Clrd> </ClrSts> ... </RpTrad> </TxLnData> </LnData> <CollData> ... </CollData> ... </New> </TradData> ... </SctiesFincgRptgTxRpt> </pre>

Q77. Do you agree with the proposed approach for reporting portfolio code? Please detail the reasons for your response.

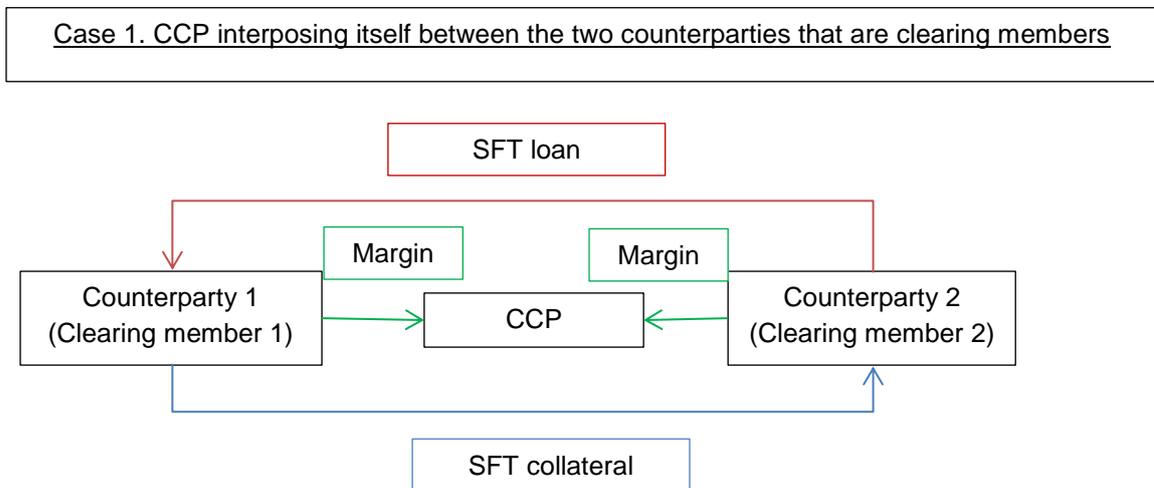
6.3 Margin data

360. The data included in this section should be reported by all the counterparties whose SFTs have been centrally cleared, unless these counterparties are subject to the

mandatory delegation under Article 4(2) in which case it should be the entity specified in that Article the one that reports.

361. In order to be able to use the services of a CCP, both CM 1 and CM 2 post margin to the CCP. The margin is composed of initial margin and variation margin¹⁹. The margin that clearing members post with the CCP has no direct relationship to the collateral of the SFT. The CCP uses the margin to cover all the risks arising from the transactions that it clears for the respective clearing members. The margin that the clearing members post to the CCP may also cover risks arising from transactions other than SFTs, such as trades in derivatives.

6.3.1 CCP interposing itself between the two counterparties that are clearing members

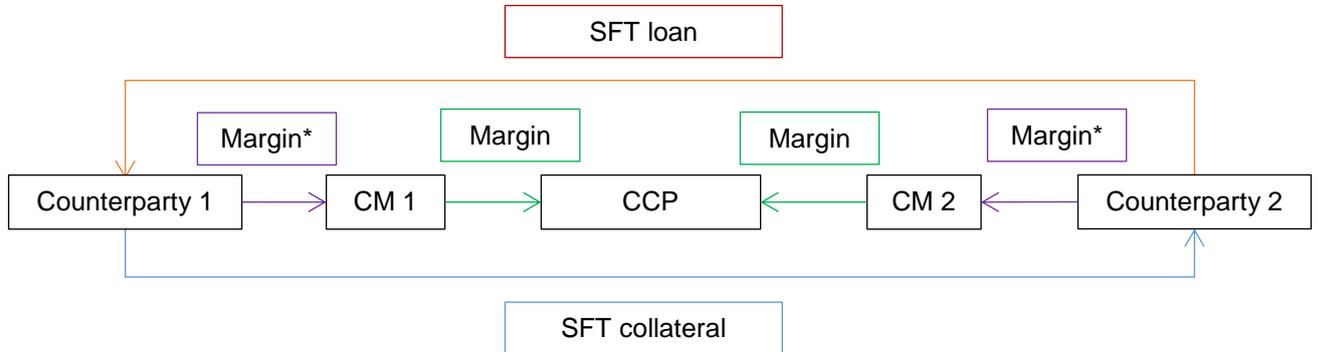


362. Where a counterparty is not a clearing member itself, the margin it provides to the clearing member (see “margin*” in the case 2 below) may be different from the margin provided by the clearing member to the CCP.

6.3.2 CCP interposing itself between the two counterparties that are not clearing members

¹⁹ There might be also excess margin, which would be the part of the collateral in excess of the required level.

Case 2. CCP interposing itself between the two counterparties that are not clearing members



6.3.3 Reporting of margin information

363. Margin information is applicable only to CCP-cleared SFTs. In the case shown in Table 102, the entity uses the same portfolio for collaetralisation as under EMIR. The reporting counterparty, Counterparty J which is also a clearing member uses delegated reporting services provided by Counterparty D. It reports the amount of 1,000,000 EUR posted as initial margin and the amount of 300,000 EUR as variation margin posted to CCP O. The counterparty also reports excess collateral of 100,000 EUR.

Table 102 – Margin data			
No	Field	Example	XML Message
1	Reporting timestamp	2020-04-22T16:41:07Z	<pre> <SciesFincgRptgTxRptMrgnData> <MrgnData> <MrgnUpd> ... <RptgDtTm>2020-04-22T16:41:07Z</RptgDtTm> <EvtDt>2020-04-23</EvtDt> <CtrPty> <RptgCtrPty> CCCCCCCCCCCCCCCCCCCC </RptgCtrPty> <OthrCtrPty> BBBBBBBBBB1111111111</OthrCtrPty> <NttyRspnsblForRpt> 11223344556677889900</NttyRspnsblForRpt> > <RptSubmitgNtty> CCCCCCCCCCCCCCCCCCCC </RptSubmitgNtty> </pre>
2	Event date	2020-04-23	
3	Report submitting entity	{LEI} of Counterparty J	
4	Reporting Counterparty	{LEI} of Counterparty J	
5	Entity responsible for the report	{LEI} of Counterparty D	
6	Other counterparty	{LEI} of CCP O	
7	Portfolio code	EMIRSFTRC ODE1	
8	Initial margin posted	1000000	

Table 102 – Margin data			
No	Field	Example	XML Message
9	Currency of the initial margin posted	EUR	</CtrPty>
10	Variation margin posted	300000	<CollPrtflld>EMIRSFTRCODE1</CollPrtflld>
11	Currency of the variation margins posted	EUR	<PstdMrgnOrColl> <InitlMrgnPstd Ccy="EUR">1000000</InitlMrgnPstd>
12	Initial margin received	-	<VartnMrgnPstd Ccy="EUR">300000</VartnMrgnPstd>
13	Currency of the initial margin received	-	<XcssCollPstd Ccy="EUR">100000</XcssCollPstd>
14	Variation margin received	-	</PstdMrgnOrColl>
15	Currency of the variation margins received	-	... </MrgnUpd>
16	Excess collateral posted	100000	</MrgnData>
17	Currency of the excess collateral posted	EUR	... </SctiesFincgRptgTxRptMrgnData>
18	Excess collateral received	-	
19	Currency of the excess collateral received	-	
20	Action type	MARU	

Q78. Do you agree with the approach to reporting margin data? Please detail the reasons for your response and include a reference to the specific table.

6.4 Reuse data, cash reinvestment and funding sources

364. As highlighted in the RTS, the logic that underpins Table 4 is different from the other tables, and will not be used for reconciliation, as this information cannot be linked to individual transactions. Instead, non-cash collateral re-use, cash collateral reinvestment and funding sources shall be reported as aggregates at reporting entity level.



6.4.1 Collateral re-use

365. Collateral re-use shall be reported using the formula agreed in the FSB framework²⁰ and included in the RTS. As respondents highlighted, market participants do not usually distinguish between their own assets and the collateral they have received from counterparties (provided that the collateral securities are eligible for reuse). The intuition behind the FSB formula is that entities should provide an estimate of the amount of collateral they are re-using, based on the share of collateral they have received compared with their own assets.
366. The reporting obligation only applies to SFTs, which means that the collateral securities posted or received from other transactions are out of scope, and that entities should not report their own assets. In other words, collateral posted for margining purposes in derivatives transactions or any other transactions that are outside the scope of SFTR, as discussed in Section 5.1.1, should not be included in the formula.
367. This also means that the components of the re-use formula should not be reported separately to ESMA. Instead, reporting entities should only provide the estimate that results from the application of the formula at ISIN level. For example, if Bank ABC owns 500 in security A, receives a further 1,000 in security A as collateral from a reverse repo, and uses 600 of security A as collateral to borrow another security, the estimated re-use that should be reported by Bank ABC for security A is: $[(1,000)/(1,000+500)]*600=400$.
368. In the FSB framework, the term “collateral” is broadly defined under its economic function, i.e. regardless of the legal structure of the transaction. In terms of scope, this means that the *collateral received, eligible for re-use* captures:
- Securities received as collateral in reverse repos and BSB
 - Securities borrowed in securities borrowing transactions
 - Securities received as collateral in securities lending transactions
 - Securities received as additional collateral to meet variation margin requirements originating from SFTs
369. Pledged initial margins that are isolated and immobilized, and therefore not eligible for re-use, should not be included.
370. In margin lending, the eligibility of collateral for re-use does not only depend on the type of collateral arrangement used for the transaction, but also on contractual limits (“rehypothecation limit”) agreed between the prime broker and its client. This limit calculated as a fixed percentage of the daily margin loan amount outstanding. For collateral to be re-used, securities that have a right to rehypothecation need to be transferred first from the client account to the prime broker’s own account within the limit. ESMA proposes that for the calculation of the re-use formula, *collateral received, eligible for re-use* should exclude collateral securities that cannot be transferred to the

²⁰ FSB Non-cash collateral re-use: Measure and metrics. <http://www.fsb.org/wp-content/uploads/Non-cash-Collateral-Re-Use-Measures-and-Metrics.pdf>



prime broker's own account due to the contractual limit on rehypothecation. Including such securities would lead to an overestimation of the amount of collateral that is actually being re-used.

371. Collateral posted captures:

- a. Securities posted as collateral in repos and SBB
- b. Securities on loan in securities lending transactions
- c. Securities posted as collateral in securities borrowing transactions
- d. Securities posted as additional collateral to meet variation margin requirements originating from SFTs.

372. Transactions that are outside of the SFTR scope, such as SFTs executed with an ESCB member should be excluded from the re-use formula.

373. As indicated in the SFTR Final report, CCPs should exclude from their re-use estimates the collateral securities that are transferred between clearing members as part of their central clearing activities. This concerns both the "Collateral received" and "Collateral re-used" components of the formula. These collateral securities are not re-used by the CCP per se, as the transfer of securities reflects rather the novation process that takes place when a central counterparty interposes itself between the two original counterparties. The collateral securities received as margin should be included in the estimates, as applicable, and CCPs are expected to report any re-use that takes place as part of their other activities. This includes treasury operations and any other type of facility or mechanism (e.g. reverse securities loans) that CCPs might have in place.

374. Regarding the collateral re-use metrics²¹ that are included in the FSB framework, these will be computed directly by national or global authorities on the basis of the collateral re-use reported by entities. For the re-use rate, authorities will need to compute the denominator on the basis of data reported by entities in Table 2 (Loan and collateral data).

Q79. Do you have any comments on the scope of the non-cash collateral re-use measure, and are there practical obstacles to the reporting? In the case of margin lending, do you agree with the exclusion of securities that cannot be transferred to the prime broker's account due to rehypothecation limits agreed contractually?

6.4.1.1 Reuse of securities by FC or non-SME NFC without delegation of reporting

375. Table 103 shows the case in which counterparty B reports its own funding sources of amount of 5,000,000 EUR value of reused securities with ISIN IT00BH4HKS39 of the amount of 10,000,000 EUR.

²¹ See section 4 of the FSB framework on non-cash collateral re-use.

Table 103 - Reuse of securities by FC or non-SME NFC without delegation of reporting			
No	Field	Example	XML Message
1	Reporting timestamp	2020-04-22T16:41:07Z	<SctiesFincgRptgTxRptReuseData> <ReuseData> <CollReuseUpd> <RptgDtTm>2020-04-22T16:41:07Z</RptgDtTm> <CtrPtyData> <RptSubmitgNtty> <LEI>ABCDEFGHJKLMNOPQRST</LEI> </RptSubmitgNtty> <RptgCtrPty> <LEI>ABCDEFGHJKLMNOPQRST</LEI> </RptgCtrPty> <NttyRspnsblForRpt> <LEI>ABCDEFGHJKLMNOPQRST</LEI> </NttyRspnsblForRpt> </CtrPtyData> <CollCmpnt> <Scty> <ISIN>IT00BH4HKS39</ISIN> <ReuseVal> <Estmtd Ccy="EUR">10000000</Estmtd> </ReuseVal> </Scty> </CollCmpnt> <EvtDay>2020-04-23</EvtDay> </CollReuseUpd> </ReuseData> ... </SctiesFincgRptgTxRptReuseData>
2	Event date	2020-04-23	
3	Report submitting entity	{LEI} of Counterparty B	
4	Reporting counterparty	{LEI} of Counterparty B	
5	Entity responsible for the report	{LEI} of Counterparty B	
6	Type of collateral component	SECU	
7	Collateral component	{ISIN}	
8	Value of reused collateral		
9	Estimated reuse of collateral	10000000	
10	Reused collateral currency	EUR	
18	Action type	REUU	

6.4.1.2 Reuse of securities by FC or non-SME NFC with delegation of reporting

376. Table 104 shows the case in which counterparty A delegates reporting to counterparty B. It reports the value of reused securities with ISIN IT00BH4HKS39 of the amount of 10,000,000 EUR.

Table 104 - Reuse of securities by FC or non-SME NFC with delegation of reporting			
No	Field	Example	XML Message
1	Reporting timestamp	2020-04-22T16:41:07Z	<SctiesFincgRptgTxRptReuseData> <ReuseData>

Table 104 - Reuse of securities by FC or non-SME NFC with delegation of reporting			
No	Field	Example	XML Message
2	Event date	2020-04-23	<CollReuseUpd> <RptgDtTm>2020-04-22T16:41:07Z</RptgDtTm> <CtrPtyData> <RptSubmitgNtty> <LEI>ABCDEFGHIJKLMNQRST</LEI> </RptSubmitgNtty> <RptgCtrPty> <LEI>12345678901234500000</LEI> </RptgCtrPty> <NttyRspnsblForRpt> <LEI>12345678901234500000</LEI> </NttyRspnsblForRpt> </CtrPtyData> <CollCmpnt> <Scty> <ISIN>IT00BH4HKS39</ISIN> <ReuseVal> <Estmtd Ccy="EUR">10000000</Estmtd> </ReuseVal> </Scty> </CollCmpnt> <EvtDay>2020-04-23</EvtDay> </CollReuseUpd> </ReuseData> ... </SctiesFincgRptgTxRptReuseData>
3	Report submitting entity	{LEI} of Counterparty B	
4	Reporting counterparty	{LEI} of Counterparty A	
5	Entity responsible for the report	{LEI} of Counterparty A	
6	Type of collateral component	SECU	
7	Collateral component	{ISIN}	
8	Value of reused collateral		
9	Estimated reuse of collateral	10000000	
10	Reused collateral currency	EUR	
18	Action type	REUU	

6.4.1.3 Reuse of securities by SME NFC with one counterparty

377. Table 105 shows the case in which counterparty C is SME-NFC and it has concluded SFTs with only one entity - counterparty B. Counterparty B reports the value of reused securities with ISIN IT00BH4HKS39 of the amount of 10,000,000 EUR.

Table 105 - Reuse of securities by SME NFC with one counterparty			
No	Field	Example	XML Message
1	Reporting timestamp	2020-04-22T16:41:07Z	<SctiesFincgRptgTxRptReuseData> <ReuseData> <CollReuseUpd> <RptgDtTm>2020-04-22T16:41:07Z</RptgDtTm> <CtrPtyData> <RptSubmitgNtty>
2	Event date	2020-04-23	
3	Report submitting entity	{LEI} OF Counterparty B	

Table 105 - Reuse of securities by SME NFC with one counterparty			
No	Field	Example	XML Message
4	Reporting counterparty	{LEI} of Counterparty C	<LEI> ABCDEFGHIJKLMNOPQRST </LEI>
5	Entity responsible for the report	{LEI} of Counterparty B	</RptSubmitgNtty> <RptgCtrPty> <LEI>123456789ABCDEFGHIJK </LEI> </RptgCtrPty>
6	Type of collateral component	SECU	<NttyRspnsblForRpt> <LEI> ABCDEFGHIJKLMNOPQRST </LEI>
7	Collateral component	{ISIN}	</NttyRspnsblForRpt> </CtrPtyData>
8	Value of reused collateral		<CollCmpnt>
9	Estimated reuse of collateral	10000000	<Scty> <ISIN>IT00BH4HKS39</ISIN> <ReuseVal>
10	Reused collateral currency	EUR	<Estmtd Ccy="EUR">10000000</Estmtd>
18	Action type	REUU	</ReuseVal> </Scty> </CollCmpnt> <EvtDay>2020-04-23</EvtDay> </CollReuseUpd> </ReuseData> ... </SctiesFincgRptgTxRptReuseData>

6.4.1.4 Reuse of securities by SME NFC with several counterparties

378. Table 106 and Table 107 contain the information that should be reported regarding the reuse by SME NFC with several counterparties. In this example there are two tables but there can be as many tables as counterparties with which the SME NFC has entered into SFTs and has subsequently reused the collateral.

379. In this case, counterparty C is SME-NFC and it has concluded SFTs with two entities - counterparty B and counterparty D. Counterparty B reports the value of reused securities with ISIN IT00BH4HKS39 of the amount of 10,000,000 EUR in Table 106. Counterparty D reports the value of reused securities with ISIN FR00BH4HKS3 of the amount of 2,000,000 EUR in Table 107.

Table 106 - Reuse of securities by SME NFC with several counterparties (1)			
No	Field	Example	XML Message
1	Reporting timestamp	2020-04-22T16:41:07Z	<SctiesFincgRptgTxRptReuseData> <ReuseData>
2	Event date	2020-04-23	<CollReuseUpd> <RptgDtTm>2020-04-

Table 106 - Reuse of securities by SME NFC with several counterparties (1)			
No	Field	Example	XML Message
3	Report submitting entity	{LEI} of Counterparty B	22T16:41:07Z</RptgDtTm> <CtrPtyData> <RptSubmitgNtty> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </RptSubmitgNtty> <RptgCtrPty> <LEI>123456789ABCDEFGHIJK </LEI> </RptgCtrPty> <NttyRspnsblForRpt> <LEI> ABCDEFGHIJKLMNOPQRST </LEI> </NttyRspnsblForRpt> </CtrPtyData> <CollCmpnt> <Scty> <ISIN>IT00BH4HKS39</ISIN> <ReuseVal> <Estmtd Ccy="EUR">10000000</Estmtd> </ReuseVal> </Scty> </CollCmpnt> <EvtDay>2020-04-23</EvtDay> </CollReuseUpd> </ReuseData> ... </SctiesFincgRptgTxRptReuseData>
4	Reporting counterparty	{LEI} of Counterparty C	
5	Entity responsible for the report	{LEI} of Counterparty B	
6	Type of collateral component	SECU	
7	Collateral component	{ISIN}	
8	Value of reused collateral		
9	Estimated reuse of collateral	10000000	
10	Reused collateral currency	EUR	
18	Action type	REUU	

Table 107 - Reuse of securities by SME NFC with several counterparties (2)			
No	Field	Example	XML Message
1	Reporting timestamp	2020-04-22T18:41:07Z	<SctiesFincgRptgTxRptReuseData> <ReuseData> <CollReuseUpd> <RptgDtTm>2020-04-22T18:41:07Z</RptgDtTm> <CtrPtyData> <RptSubmitgNtty> <LEI>11223344556677889900</LEI> </RptSubmitgNtty> <RptgCtrPty> <LEI>123456789ABCDEFGHIJK </LEI> </RptgCtrPty> <NttyRspnsblForRpt> <LEI>11223344556677889900</LEI> </NttyRspnsblForRpt>
2	Event date	2020-04-23	
3	Report submitting entity	{LEI} of Counterparty D	
4	Reporting counterparty	{LEI} of Counterparty C	
5	Entity responsible for the report	{LEI2} of Counterparty D	
6	Type of collateral component	SECU	

Table 107 - Reuse of securities by SME NFC with several counterparties (2)			
No	Field	Example	XML Message
7	Collateral component	{ISIN}	<pre> </CtrPtyData> <CollCmpnt> <Scty> <ISIN>FR00BH4HKS39</ISIN> <ReuseVal> <Estmtd Ccy="EUR">2000000</Estmtd> </ReuseVal> </Scty> </CollCmpnt> <EvtDay>2020-04-23</EvtDay> </CollReuseUpd> </ReuseData> ... </SctiesFincgRptgTxRptReuseData> </pre>
8	Value of reused collateral		
9	Estimated reuse of collateral	2000000	
10	Reused collateral currency	EUR	
18	Action type	REUU	

6.4.2 Cash reinvestment

380. The collection of granular data on cash collateral reinvestment also follows FSB recommendation meant to address financial stability risks²². More specifically, the FSB set out minimum standards on cash collateral reinvestment to limit liquidity risks.

381. Agent lenders play a central role in EU SLB markets. One of the services they offer to their clients is to manage the cash that clients receive as collateral against securities loans. This cash may go into segregated omnibus accounts or into comingled account, in which case it is usually mixed with cash collateral from other clients.

382. Counterparties should report cash collateral reinvestment when cash is been used as collateral in a SLB transactions and reinvested, either directly by the lender (collateral taker) or on behalf of the lender by an agent. Cash collateral from other SFT types, or cash collateral from SLB transactions that is used for other purposes (e.g. proprietary trading) is not in the scope.

Q80. Do you have any comments on cash collateral reinvestment, and do you agree with the scope?

6.4.2.1 Reinvestment of cash by FC or non-SME NFC without delegation of reporting

383. Table 108 shows the case in which counterparty B reports its own cash reinvestment of 100,000 EUR at 1.5% rate in the repo market.

²² FSB Policy framework for addressing shadow banking risks in securities lending and repos. http://www.fsb.org/wp-content/uploads/r_130829b.pdf

Table 108 - Reinvestment of cash by FC or non-SME NFC without delegation of reporting			
No	Field	Example	XML Message
1	Reporting timestamp	2020-04-22T16:41:07Z	<SctiesFincgRptgTxRptReuseData> <ReuseData> <CollReuseUpd> <RptgDtTm>2020-04-22T16:41:07Z</RptgDtTm> <CtrPtyData> <RptSubmitgNtty> <LEI>ABCDEFGHJKLMNOPQRST</LEI> </RptSubmitgNtty> <RptgCtrPty> <LEI>ABCDEFGHJKLMNOPQRST</LEI> </RptgCtrPty> <NttyRspnsblForRpt> <LEI>ABCDEFGHJKLMNOPQRST</LEI> </NttyRspnsblForRpt> </CtrPtyData> <CollCmpnt> <Csh> <RinvstdCsh> <Tp>REPM</Tp> <RinvstdCshAmt Ccy="EUR">100000</RinvstdCshAmt> </RinvstdCsh> <CshRinvstmtRate>1.5</CshRinvstmtRate> </Csh> </CollCmpnt> <EvtDay>2020-04-23</EvtDay> </CollReuseUpd> </ReuseData> ... </SctiesFincgRptgTxRptReuseData>
2	Event date	2020-04-23	
3	Report submitting entity	{LEI} of Counterparty B	
4	Reporting counterparty	{LEI} of Counterparty B	
5	Entity responsible for the report	{LEI} of Counterparty B	
11	Reinvestment Rate	1.5	
12	Type of re-invested cash investment	REPM	
13	Re-invested cash amount	100000	
14	Re-invested cash currency	EUR	
18	Action type	REUU	

6.4.2.2 Reinvestment of cash by FC or non-SME NFC with delegation of reporting

384. Table 109 shows the case in which, counterparty A delegates to counterparty B the reporting of its cash reinvestment. Counterparty B reports cash reinvestment of 100,000 EUR at 1% rate in the repo market.

Table 109 - Reinvestment of cash by FC or non-SME NFC with delegation of reporting			
No	Field	Example	XML Message

Table 109 - Reinvestment of cash by FC or non-SME NFC with delegation of reporting			
No	Field	Example	XML Message
1	Reporting timestamp	2020-04-22T16:41:07Z	<SctiesFincgRptgTxRptReuseData> <ReuseData> <CollReuseUpd> <RptgDtTm>2020-04-22T16:41:07Z</RptgDtTm> <CtrPtyData> <RptSubmitgNtty> <LEI>ABCDEFGHIJKLMNQRST</LEI> </RptSubmitgNtty> <RptgCtrPty> <LEI>12345678901234500000</LEI> </RptgCtrPty> <NttyRspnsblForRpt> <LEI>12345678901234500000</LEI> </NttyRspnsblForRpt> </CtrPtyData> <CollCmpnt> <Csh> <RinvstdCsh> <Tp>REPM</Tp> <RinvstdCshAmt Ccy="EUR">100000</RinvstdCshAmt> </RinvstdCsh> <CshRinvstmtRate>1</CshRinvstmtRate> </Csh> </CollCmpnt> <EvtDay>2020-04-23</EvtDay> </CollReuseUpd> </ReuseData> ... </SctiesFincgRptgTxRptReuseData>
2	Event date	2020-04-23	
3	Report submitting entity	{LEI} of Counterparty B	
4	Reporting counterparty	{LEI} of Counterparty A	
5	Entity responsible for the report	{LEI} of Counterparty A	
11	Reinvestment Rate	1	
12	Type of re-invested cash investment	REPM	
13	Re-invested cash amount	100000	
14	Re-invested cash currency	EUR	
18	Action type	REUU	

6.4.2.3 Reinvestment of cash by SME NFC with one counterparty

385. Table 110 shows the case in which counterparty C is SME-NFC and it has concluded SFTs with only one entity - counterparty B. Counterparty B reports cash collateral reinvestment of 100,000 EUR at 1% rate in the repo market.

Table 110 - Reinvestment of cash by SME NFC with one counterparty			
No	Field	Example	XML Message

Table 110 - Reinvestment of cash by SME NFC with one counterparty

No	Field	Example	XML Message
1	Reporting timestamp	2020-04-22T16:41:07Z	<pre> <SctiesFincgRptgTxRptReuseData> <ReuseData> <CollReuseUpd> <RptgDtTm>2020-04-22T16:41:07Z</RptgDtTm> <CtrPtyData> <RptSubmitgNtty> <LEI>ABCDEFGHIJKLMN</LEI> </RptSubmitgNtty> <RptgCtrPty> <LEI>123456789ABCDEF</LEI> </RptgCtrPty> <NttyRspnsblForRpt> <LEI>ABCDEFGHIJKLMN</LEI> </NttyRspnsblForRpt> </CtrPtyData> <CollCmpnt> <Csh> <RinvstdCsh> <Tp>REPM</Tp> <RinvstdCshAmt Ccy="EUR">100000</RinvstdCshAmt> </RinvstdCsh> <CshRinvstmtRate>1</CshRinvstmtRate> </Csh> </CollCmpnt> <EvtDay>2020-04-23</EvtDay> </CollReuseUpd> </ReuseData> ... </SctiesFincgRptgTxRptReuseData> </pre>
2	Event date	2020-04-23	
3	Report submitting entity	{LEI} OF Counterparty B	
4	Reporting counterparty	{LEI} of Counterparty C	
5	Entity responsible for the report	{LEI} of Counterparty B	
11	Reinvestment Rate	1	
12	Type of re-invested cash investment	REPM	
13	Re-invested cash amount	100000	
14	Re-invested cash currency	EUR	
18	Action type	REUU	

6.4.2.4 Reinvestment of cash by SME NFC with several counterparties

386. Table 111 and Table 112 contain the information that should be reported regarding the collateral reinvestment by SME NFC with several counterparties. In this example there are two tables but there can be as many tables as counterparties with which the SME NFC has entered into SFTs and has subsequently reinvested the cash collateral.

387. In this case, counterparty C is SME-NFC and it has concluded SFTs with two entities - counterparty B and counterparty D. Counterparty B reports the amount of 100,000 EUR as reinvested cash collateral in Table 111. Counterparty D reports the amount of 100,000 EUR as reinvested cash collateral in Table 112.

Table 111 - Reinvestment of cash by SME NFC with several counterparties (1)			
No	Field	Example	XML Message
1	Reporting timestamp	2020-04-22T16:41:07Z	<SciesFincgRptgTxRptReuseData> <ReuseData>
2	Event date	2020-04-23	<CollReuseUpd> <RptgDtTm>2020-04-22T16:41:07Z</RptgDtTm>
3	Report submitting entity	{LEI} of Counterparty B	<CtrPtyData> <RptSubmitgNtty> <LEI> ABCDEFGHIJKLMNOPQRST
4	Reporting counterparty	{LEI} of Counterparty C	</LEI> </RptSubmitgNtty> <RptgCtrPty>
5	Entity responsible for the report	{LEI} of Counterparty B	<LEI>123456789ABCDEFGHIJK </LEI> </RptgCtrPty> <NttyRspnsblForRpt>
11	Reinvestment Rate	1	<LEI> ABCDEFGHIJKLMNOPQRST </LEI>
12	Type of re-invested cash investment	REPM	</NttyRspnsblForRpt> </CtrPtyData> <CollCmpnt>
13	Re-invested cash amount	100000	<Csh>
14	Re-invested cash currency	EUR	<RinvstdCsh> <Tp>REPM</Tp> <RinvstdCshAmt
18	Action type	REUU	Ccy="EUR">100000</RinvstdCshAmt> </RinvstdCsh> <CshRinvstmtRate>1</CshRinvstmtRate> </Csh> </CollCmpnt> <EvtDay>2020-04-23</EvtDay> </CollReuseUpd> </ReuseData> ... </SciesFincgRptgTxRptReuseData>

Table 112 - Reinvestment of cash by SME NFC with several counterparties (2)			
No	Field	Example	XML Message
1	Reporting timestamp	2020-04-22T16:41:07Z	<SciesFincgRptgTxRptReuseData> <ReuseData>
2	Event date	2020-04-23	<CollReuseUpd> <RptgDtTm>2020-04-22T16:41:07Z</RptgDtTm>
3	Report submitting entity	{LEI} of Counterparty D	<CtrPtyData> <RptSubmitgNtty>

Table 112 - Reinvestment of cash by SME NFC with several counterparties (2)			
No	Field	Example	XML Message
4	Reporting counterparty	{LEI} of Counterparty C	<pre> <LEI>11223344556677889900</LEI> </RptSubmitgNtty> <RptgCtrPty> <LEI>123456789ABCDEFGHIJK </LEI> </RptgCtrPty> <NttyRspnsblForRpt> <LEI>11223344556677889900</LEI> </NttyRspnsblForRpt> </CtrPtyData> <CollCmpnt> <Csh> <RinvstdCsh> <Tp>REPM</Tp> <RinvstdCshAmt Ccy="EUR">100000</RinvstdCshAmt> </RinvstdCsh> <CshRinvstmtRate>1</CshRinvstmtRate> </Csh> </CollCmpnt> <EvtDay>2020-04-23</EvtDay> </CollReuseUpd> </ReuseData> ... </SctiesFincgRptgTxRptReuseData> </pre>
5	Entity responsible for the report	{LEI2} of Counterparty D	
11	Reinvestment Rate	1	
12	Type of re-invested cash investment	REPM	
13	Re-invested cash amount	100000	
14	Re-invested cash currency	EUR	
18	Action type	REUU	

6.4.3 Funding sources

388. Table 113 show the case in which counterparty B reports the amount of 5,000,000 EUR as funding sources to finance margin loans from the repro market.

Table 113 - Funding sources			
No	Field	Example	XML Message
1	Reporting timestamp	2020-04-22T16:41:07Z	<pre> <SctiesFincgRptgTxRptReuseData> <ReuseData> <CollReuseUpd> <RptgDtTm>2020-04- 22T16:41:07Z</RptgDtTm> <CtrPtyData> <RptSubmitgNtty> <LEI>ABCDEFGHIJKLMNQRST</LEI> </RptSubmitgNtty> <RptgCtrPty> <LEI>ABCDEFGHIJKLMNQRST</LEI> </pre>
2	Event date	2020-04-23	
3	Report submitting entity	{LEI} of Counterparty B	
4	Reporting counterparty	{LEI} of Counterparty B	
5	Entity responsible for the report	{LEI} of Counterparty B	

Table 113 - Funding sources			
No	Field	Example	XML Message
15	Funding sources	REPO	</RptgCtrPty> <NttyRspnsblForRpt>
16	Market value of the funding sources	5000000	<LEI>ABCDEFGHIJKLMNQRST</LEI>
17	Funding sources currency	EUR	</NttyRspnsblForRpt> </CtrPtyData> <EvtDay>2020-04-23</EvtDay> <FndgSrc> <Tp>REPO</Tp> <MktVal Ccy="EUR">5000000</MktVal> </FndgSrc> </CollReuseUpd> </ReuseData>
18	Action type	REUU	... </SctiesFincgRptgTxRptReuseData>

Q81. Do you agree with the proposed approach for reporting reuse, reinvestment and funding sources? Please detail the reasons for your response and include a reference to the specific table.

7 Rejection feedback

389. Article 1(1) RTS on data verification provides the different checks that a TR needs to carry out to ensure the correctness and completeness of SFT data reported pursuant to Article 4 SFTR. Furthermore, Article 1(2) of the same RTS specifies the treatment of reporting of information on collateral.
390. Under Article 1(3) RTS on data verification it is provided that “A trade repository shall reject an SFT report that does not comply with one of the requirements set out in paragraph 1 and assign to it one of the rejection categories set out in Table 2 of Annex I to this Regulation”.
391. The TR should provide rejection feedback in accordance with the following rejection categories:
- Schema validation of a submission as per Article 1(1)(b)
 - Authorization / permission of a report submitting entity as per Article 1(1)(c)
 - Logical validation of a submission as per Articles 1(1)(d) to 1(1)(j)
 - Business rules or content validation of a submission as per Article 1(1)(k) and as provided in these Guidelines
392. It is worth noting that the authentication of an entity will be performed by the TR upfront, hence no specific rejection feedback will be provided.
393. The TRs should use the relevant ISO 20022 XML message to provide the feedback.
394. Following receipt of the above rejection, the counterparties should submit correct and complete reports by the reporting timeline as defined under Article 4(1) SFTR.



395. Further to the above information, TRs will provide to each reporting counterparty, entity responsible for reporting or report submitting entity, as applicable, with an end of day report containing the following information:

Table 114 – Rejection feedback			
No.	Field	Details to be reported	XML Message
1	Number of files received	Numeric values	<pre> <SciesFincgRptgTxStsAdv> <TxRptStsAndRsn> <RptSttstcs> <TtlNbOfRpts>2</TtlNbOfRpts> </RptSttstcs> </TxRptStsAndRsn> <TtlNbOfRptsAccptd>1</TtlNbOfRptsAccptd> <TtlNbOfRptsRjctd>1</TtlNbOfRptsRjctd> <NbOfRptsRjctdPerErr> <DtldNb>1</DtldNb> <RptSts> <MsgRptId>ReportID</MsgRptId> <Sts>RJCT</Sts> <DtldVldtnRule> <Id>RuleID</Id> <Desc>Rule description</Desc> </DtldVldtnRule> </RptSts> </NbOfRptsRjctdPerErr> </RptSttstcs> <TxSttstcs> <TtlNbOfTxS>2</TtlNbOfTxS> <TtlNbOfTxSAccptd>1</TtlNbOfTxSAccptd> <TtlNbOfTxSRjctd>1</TtlNbOfTxSRjctd> <NbOfTxSRjctdPerErr> <DtldNb>1</DtldNb> <TxSts> <TxId> <RptgCtrPty> <LEI>12345678901234500000</LEI> </RptgCtrPty> <OthrCtrPty> <LEI>12345678901234500000</LEI> </OthrCtrPty> <UnqTradIdr>UT11</UnqTradIdr> <MstrAgrmt> <Tp> <Tp>OTHR</Tp> </Tp> <Vrsn>2019</Vrsn> </MstrAgrmt> </TxId> <Sts>RJCT</Sts> <DtldVldtnRule> <Id>RuleID</Id> <Desc>Rule description</Desc> </pre>
2	No. of files accepted	Numeric values	
3	No. of files rejected	Numeric values	
4	File identification	Textual value	
5	Rejection reason	Error code	
6	Rejection description	Error description	
7	Number of SFTs received	Numeric values	
8	Number of SFTs accepted	Numeric values	
9	Number of SFT s rejected	Numeric values	
10	Identification of the SFT		
11	Reporting counterparty	Table A field 3	
12	UTI	Table B field 1	
13	Other counterparty	Table A field 11	
14	Master agreement type	Table B field 9	
15	Rejection reason	Error codes	
16	Rejection description	Error description	



			</DtldVldtnRule> </TxSts> </NbOfTxsrjctdPerErr> </TxSttstcs> </TxRptStsAndRsn> </SctiesFincgRptgTxStsAdv>
--	--	--	--

396. This will ensure that in case the reporting counterparty or the entity responsible for reporting are not reporting directly to the TR, but they have a view only account, they will be able to have detailed understanding on their compliance with the reporting obligation under SFTR.

Q82. What other aspects need to be considered with regards to the aforementioned approach with regards to treatment of rejection feedback? Please detail the reasons for your response.

8 Reconciliation feedback

397. Article 2 of RTS on data verification establishes the reconciliation process to be carried by TRs and the feedback that they provide to the reporting counterparties, entities responsible for reporting and report submitting entities, as applicable.

398. Following the performance of the reconciliation process as detailed in Article 2(2), the TRs will assign a reconciliation category to the records that are subject to reconciliation.

Table 115 - Reconciliation categories	
Reconciliation categories	Allowable values
Reporting type	Single-sided/dual-sided
Reporting requirement for both counterparties	Yes/No
Pairing Status	Paired/unpaired
Loan reconciliation status	Reconciled/not reconciled
Collateral reconciliation status	Reconciled/not reconciled
Further modifications:	Yes/No

399. When there is reporting requirement for both counterparties, they should ensure that the SFTs reported have pairing status as “Paired”, loan reconciliation status as “Reconciled” and “Collateral reconciliation status as “Reconciled”.

400. To facilitate this, the TRs will be providing them with the following report containing detailed information on the reconciliation status of the SFTs that they have reported:

Table 116 - Reconciliation Feedback				
No.	Field		Details to be reported	XML Message

Table 116 - Reconciliation Feedback				
No.	Field		Details to be reported	XML Message
1	Reporting counterparty	Unique key	Table A field 3	<SctiesFincgRptgRcncltnStsAdv <PaigrRcncltnSts> <DtldNbOfRpts>2</DtldNbOfRpts> <DtldSts>PARD</DtldSts> </PaigrRcncltnSts> <RcncltnRpt> <RptgDtTM>2019-05-01T09:30:47Z</RptgDtTM> <Txld> <RptgCtrPty>
2	UTI		Table B field 1	
3	Other counterparty		Table A field 11	
4	Master agreement type		Table B field 9	
	Report status		Paired/Reconciled	
	Reporting timestamp	Information on the last reporting timestamp pertaining to the SFT that is reconciled	Table A field 1	<LEI>12345678901234500000</LEI> </RptgCtrPty> <OthrCtrPty> <LEI>ABCDEFGHIJKLMNQRST</LEI> </OthrCtrPty> <UnqTradldr>UTI10</UnqTradldr> </Txld> <Modfd>>true</Modfd> <RcncltnSts> <RptgData> <NotMtchd> <CtrPty1>
	Modification status	Information if the transaction subject of reconciliation was modified	True/False	
	No Reconciliation required	Indication that the transaction is not subject of reconciliation	True/False	<LEI>AAAAAAAAAAAAAAAAAAAA</LEI> </CtrPty1> <CtrPty2> <LEI>EEEEEEEEEEEEEEEEEEEE</LEI> </CtrPty2> <MtchgCrit> <LnMtchgCrit> <Dt> <Val1>2019-04-20</Val1> <Val2>2019-04-21</Val2> </Dt> </LnMtchgCrit> <CollMtchgCrit> <Qty> <Val1>1234</Val1> <Val2>1243</Val2> </Qty> </CollMtchgCrit> </MtchgCrit> </NotMtchd> </RptgData>
	Matching status		True/False	
	Loan reconciliation status		reconciled/not reconciled	
	Reportable loan fields subject of reconciliation	only not reconciled fields are to be reported, both values subject of reconciliation shall be reported	Loan fields of Table 1 of RTS on data verification	
	Collateral reconciliation status		reconciled/not reconciled	

Table 116 - Reconciliation Feedback				
No.	Field		Details to be reported	XML Message
	Reportable collateral fields subject of reconciliation	only not reconciled fields are to be reported, both values subject of reconciliation shall be reported	Collateral fields of Table 1 of RTS on data verification	<pre> </RcncltnSts> </RcncltnRpt> </SctiesFincgRptgRcncltnStsAdv< </pre>

401. As provided under Article 2(2)(h) of the RTS on data verification “The TRs shall no longer seek to reconcile the reported SFT thirty calendar days after the reported maturity of the SFT or after the trade repository has received a report relating to it with action type “Termination” or “Position component”.” These SFTs should also be removed from the reconciliation reports provided to counterparties and authorities. The TRs should retain in their systems the latest reconciliation status of these SFTs.

Q83. What other aspects need to be considered with regards to the aforementioned approach with regards to treatment of reconciliation feedback? Please detail the reasons for your response.

9 How to provide information to authorities

9.1 Timelines to setting up data access

402. Article 4 RTS on data access under SFTR specifies the set up of access to details of SFTs. Article 4(1) establishes the requirements with regards to the process to be followed, whereas Article 4(2) refers to the information that needs to be provided by an authority to for the TR to be able to set up the access to data.

403. With regards to the timeliness of the access to data, TRs should establish their internal processes in such a way that, in accordance with Article 4(1)(f), an authority has direct and immediate access to details of SFTs within thirty days after it submitted its request for setting up access.

Q84. What other aspects need to be considered to make the process more efficient? Please elaborate on the reasons for your response?

9.2 Operational arrangements for data access

404. Article 1 RTS on data access under SFTR provides the type of details of SFTs that TRs shall make accessible to authorities.

405. With regards to the details of SFTs reported in accordance with Tables 1 to 4 of the Annex to Commission Delegated Regulation (EU) 2019/356, including the latest trade states of SFTs that have not matured or which have not been the subject of reports



with action types 'Error', 'Termination/Early termination', or 'Position component' as referred to in field 98 of Table 2 of Annex I to Commission Implementing Regulation (EU) 2019/363, the TRs should use the following XML templates.

Table 117 – SFT report – counterparty, loan and collateral data			
No.	Field	Details to be reported	XML schema
1	Reportable field	Table 1 field 1 to field 18 Table 2 field 1 to field 99	<pre> <SctiesFincgRptgTxStatRpt> <Stat> ... <CtrPtyData> ... </CtrPtyData> <LnData> ... </LnData> <CollData> ... </CollData> <RcncltnFlg> ... </RcncltnFlg> <CtrctMod> ... </CtrctMod> ... </Stat> ... </SctiesFincgRptgTxStatRpt> </pre>

Table 118 – SFT report – margin data			
No.	Field	Details to be reported	XML schema
1	Reportable field	Table 3 field 1 to field 20	<pre> <SctiesFincgRptgMrgnDataTxStatRpt> <Stat> ... <CtrPty> ... </CtrPty> <CollPrftfllD>...</CollPrftfllD> <PstdMrgnOrColl> ... </PstdMrgnOrColl> <RcvdMrgnOrColl> ... </RcvdMrgnOrColl> </pre>

Table 118 – SFT report – margin data		
No.	Field	Details to be reported XML schema
		<RcncltnFlg> ... </RcncltnFlg> <CtrctMod> ... </CtrctMod> ... </Stat> ... </SctiesFincgRptgMrgnDataTxStatRpt>

406. When providing access to reuse data with regards to SME NFC, the TRs should provide the authorities with all the information reported with action type “REUU” for the reporting counterparty for the given event date. TRs should use the fields entity responsible for reporting to determine the applicable instances.

Table 119 – SFT report – re-use data		
No.	Field	Details to be reported XML schema
1	Reportable field	<SctiesFincgRptgReusdCollDataTxStatRpt> <Stat> ... <CtrPtyData> ... </CtrPtyData> <CollCmpnt> ... </CollCmpnt> ... <FndgSrc> ... </FndgSrc> <RcncltnFlg> ... </RcncltnFlg> <CtrctMod> ... </CtrctMod> ... </Stat> ... Table 4 field 1 to field 18 </SctiesFincgRptgReusdCollDataTxStatRpt>

407. With regards to the relevant details of SFT reports rejected by the trade repository, including any SFT reports rejected during the previous working day and the reasons for their rejection, as specified in accordance with Table 2 of Annex I to RTS on data verification, the TRs should use the same XML template as in Table 114 – Rejection feedback.

Table 120 – Rejections report				
No.	Field	Additional information	Details to be reported	XML schema
1	Number of files received		Numeric values	
2	No. of files accepted		Numeric values	
3	No. of files rejected		Numeric values	
4	File identification		Textual value	
5	Rejection reason		Error code	
6	Rejection description		Error description	
7	Number of SFT received		Numeric values	
8	No. of SFT accepted		Numeric values	
9	No. of SFT s rejected		Numeric values	
10	Identification of the SFT			
11	Reporting counterparty	Unique key of the SFT	Table 1 field 3	
12	UTI		Table 2 field 1	
13	Other counterparty		Table 1 field 11	
14	Master agreement type		Table 2 field 9	
15	Rejection reason		Error codes	
16	Rejection description		Error description	

408. With regards to the reconciliation status of all reported SFTs for which the trade repository has carried out the reconciliation process in accordance with RTS on data verification, except those SFTs that have expired or for which SFT reports with action types 'Error', 'Termination/Early termination', or 'Position component' were received more than a month before the date on which the reconciliation process takes place, the TR should use the same XML template as in Table 116 - Reconciliation Feedback.

Table 121 – SFT reconciliation status report				
No.	Field	Additional information	Details to be reported	XML schema
1	Reporting counterparty	Unique key	Table 1 field 3	
2	UTI		Table 2 field 1	
3	Other counterparty		Table 1 field 11	
4	Master agreement type		Table 2 field 9	
5	Report status		Paired/Reconciled	
6	Reporting timestamp	Information on the last reporting timestamp pertaining to the SFT	Table 1 field 1	

Table 121 – SFT reconciliation status report				
No.	Field	Additional information	Details to be reported	XML schema
		that is reconciled		
7	Modification status	Information if the transaction subject of reconciliation was modified	True/False	
8	No Reconciliation required	Indication that the transaction is not subject of reconciliation	True/False	
9	Matching status		True/False	
10	Loan reconciliation status		reconciled/not reconciled	
11	Reportable loan fields subject of reconciliation	only not reconciled fields are to be reported, both values subject of reconciliation shall be reported		
12	Collateral reconciliation status		reconciled/not reconciled	
13	Reportable collateral fields subject of reconciliation	only not reconciled fields are to be reported, both values subject of reconciliation shall be reported		

409. Furthermore, Article 5(2) of RTS on data access requires the TRs to establish predefined periodic request to access whereas Article 5(3) provides the framework for ad-hoc access to SFTs, based on a combination of fields.

410. As a result, an authority can define two types of data queries:

- a. **Ad-hoc queries:** the output file for such data query is generated once after each query submission.
- b. **Recurrent queries:** the output file for such data query is generated automatically and repeatedly according to the frequency defined by the user (e.g. daily, weekly). In case no frequency is established, the TR should provide the information on a daily basis.

411. Once a query is received, TRs should validate whether the query is correct and can be processed by their systems. In case of invalid data queries (e.g. the query is not compliant), the TR sends a feedback message to the authority stating that the query is invalid, including the description of the type of error.

```
<FinInstrmRptgStsAdv<
  <MsgStsAdv<
    <MsgSts>
      <RptSts>RJCT</RptSts>
      <VldtnRule>
        <Id>EXE-003</Id>
        <Desc>Description of the rule</Desc>
      </VldtnRule>
      <RefDt>2017-11-15T10:35:55Z</RefDt>
    </MsgSts>
  </MsgStsAdv<
</FinInstrmRptgStsAdv<
```

412. TRs shall execute ad-hoc data queries as soon as possible after its submission and validation, also on non-working days. The time for the provision of responses to ad hoc queries is specified in Article 5(4) RTS on data access:
- where access is requested to details of outstanding SFTs, or of SFTs which have either matured or for which reports with action types 'Error', 'Termination/Early termination', or 'Position component' as referred to in Field 98 of Table 2 of Annex I to ITS on reporting were made not more than one year before the date on which the request was submitted: no later than 12:00 Universal Coordinated Time on the first calendar day following the day on which the request to access is submitted.
 - where access is requested to SFT details which have either matured or for which reports with action types 'Error', 'Termination/Early termination', or 'Position component' as referred to in Field 98 of Table 2 of Annex I to ITS on reporting were made more than one year before the date on which the request was submitted: no later than three working days after the request to access has been submitted.
 - where access is requested to SFT details falling under both points (a) and (b): no later than three working days after the request to access is submitted.
413. If the time of data query submission is shorter than one day before the first execution date, then the first execution can be postponed until the following execution day according to the parameters specified in the query.
414. If the execution of a query fails due to technical reasons, an error message shall be sent by TRs to the ESMA System. The error message should describe which type of error occurred.



415. As a response to each data query a TR prepares a response file containing data on all securities financing transactions fulfilling the search criteria defined by the authority:
- a) For an ad-hoc query a one-off response file is prepared (one response file per one query);
 - b) For a recurrent query response files are prepared on a regular basis according to the frequency defined by the authority.
416. The output files are prepared by TRs in ISO 20022 XML format.
417. The output files shall contain the subset of SFT data that is limited to the legal mandate of the authority, pursuant to Articles 1 and 2 RTS on data access.
418. The output files shall contain the subset of transaction data according to the criteria defined in the data query. When the number of records in the response to a query is large, the response shall be split into many files.
419. For each trade the output file shall include all the fields as specified in the RTS and ITS and reported to TRs by counterparties. The data query criteria should limit only the number of the query parameters (queryable fields) and in consequence the number of records included in the output file, not the scope of information delivered per each trade (i.e. the number of fields per trade).
420. If the execution of a query returns no transactions, a relevant feedback message shall be sent by the TR.
421. As required under Article 5(6) RTS on data verification, the response files shall be compressed and encrypted by TRs prior to submission.
- Q85. Do you have any comments on the aforementioned practicalities relating to the provision of access to SFT data to authorities? What other aspects need to be considered to make the process more efficient? Please elaborate on the reasons for your response?**

10 Annex List of questions

- Q1.** Do you agree with the above assessment? Are there any other transactions for which clarification is needed? Please detail the reasons for your response.
- Q2.** Do you agree with the approach set out for reporting of SFTs under Article 4 of SFTR as detailed above? Please detail the reasons for your response.
- Q3.** Do you agree with the approach for reporting repos and reverse repos as detailed in this section? Please detail the reasons for your response.
- Q4.** Are there any other types of repos and reverse repos transactions for which reporting needs to be clarified? Please detail the reasons for your response.
- Q5.** Are there any other aspects on reporting of master agreements or other elements of BSB/SBB that need to be clarified? Please detail the reasons for your response.
- Q6.** Do you foresee any issues relating to the non-availability of information on the counterparties and the securities by T+1? Please detail the reasons for your response.
- Q7.** To what extent the SFTs that are cancelled and replaced bear price-forming information, i.e. does the cancellation imply an additional fee or price charged? If so, how can this information be better included in the reports? Please detail the reasons for your response.
- Q8.** Which approach would you favour in terms of reporting cash-driven SLB? Please detail the reasons for your response.
- Q9.** Do you agree with the proposal with regards to reporting of SFTs involving commodities? What other aspects should be clarified with regards to these SFTs? Please detail the reasons for your response.
- Q10.** Are there any aspects that need to be clarified with regards to this type of SFTs? Please detail the reasons for your response.
- Q11.** Do you agree with the proposal with regards to reporting of margin lending? What other aspects should be clarified with regards to these SFTs? Please detail the reasons for your response.
- Q12.** Having in mind that position reporting of CCP-cleared SFTs is optional only when transaction-level reporting was made in accordance with paragraph 84, do you believe that additional clarifications need to be provided by ESMA? Please detail the reasons for your response.
- Q13.** Do you agree with the approach regarding allocation of responsibility with regards to SFTs concluded between TC-FC and EU SME-NFC? Please detail the reasons for your response.
- Q14.** Do you agree with the approach regarding allocation of responsibility with regards to UCITS management company and AIFM, established in third country? Please detail the reasons for your response.
- Q15.** Do you agree with the approach for determining conclusion of SFTs by EU branches of non-EU entities? Are there any other instances in addition to the ones in paragraph 102 that would need to be clarified? Please detail the reasons for your response.
- Q16.** Is the proposed guidance for determining whether an SFT conducted by a branch needs to be reported clear and comprehensive? Which areas require further clarification? Please detail the reasons for your response.



Q17. Is the proposed guidance for reporting of intragroup SFTs clear and comprehensive? Which areas require further clarification? Please detail the reasons for your response.

Q18. Do you agree with the approach for reporting by NFCs? Is there any additional aspect relating to reporting by NFCs that needs to be clarified? Please detail the reasons for your response.

Q19. Do you agree with the proposal for reporting conclusion of SFTs? Please detail the reasons for your response.

Q20. Do you agree with the proposal for reporting modifications to SFTs? Please detail the reasons for your response.

Q21. Do you agree with the proposal for reporting collateral updates to SFTs? Please detail the reasons for your response.

Q22. Do you have any issues with reporting in a timely manner valuation, margin and reuse updates pertaining to SFTs? Please detail the reasons for your response.

Q23. Do TRs require additional guidance in relation to how reports submitted by the entities mentioned in Article 2(2) and (3) of SFTR should be treated and the relevant procedures to follow? If so please confirm where further guidance is required.

Q24. Do you agree with the proposed rules for reporting of field 1.17? Are there any other instances that would need to be clarified? Please detail the reasons for your answer.

Q25. Do you consider proposal A or proposal B to be the most efficient way to ensure that details of SFTs are reported accurately, and why? What would be the costs and benefits of each approach? Please detail the reasons for your response.

Q26. Do you agree with the sequences proposed? Please detail the reasons for your response.

Q27. Do you agree with the proposed mapping between business events and action types? Are there any additional business events that should be included? Please detail the reasons for your answer.

Q28. Are there any other relationships that would need to be defined? If so, please detail which ones.

Q29. Is there any aspect not covered by the ITS on reporting that would require further clarification? Please detail the reasons for your response.

Q30. Do you agree with the proposed approach for reporting of counterparty side in the case of CCP-cleared SFTs? Please detail the reasons for your response.

Q31. Do you agree with the proposed approach to determine which side of a transaction is the collateral provider and which is the collateral taker for unsecured lending/borrowing of securities? Please detail the reasons for your response.

Q32. Please indicate how frequently is a haircut, margin or any other type of discount/add-on, applied to the loan side of SLB?

Q33. Do you agree with the proposed approach? Please detail the reasons for your response.

Q34. Do you agree with the proposed approach? Please detail the reasons for your response.

Q35. Do you agree with the proposed approach on timing and use of FX rates? Please detail the reasons for your response.

Q36. Does ESMA need to provide additional guidance on the reporting of the valuation fields? Please detail the reasons for your response.

Q37. Do you have any remarks concerning the reporting of CFI? What other aspects need to be clarified to ensure that reporting is consistently performed? Please detail the reasons for your response.

Q38. Do you agree with the approach for back-loading? What other aspects have to be considered to make the reporting of backloaded SFTs more efficient for counterparties and TRs, i.e. the costs of this approach are minimised and also the usefulness of the reports submitted going forward is maximised? Please detail the reasons for your response.

Q39. What other aspects with regards to the UTI have to be clarified? Please detail the reasons for your response.

Q40. Are there any other instances that need to be clarified? Please elaborate on the reasons for your response.

Q41. Please provide the relative volume of transactions for which issuer's LEI (of securities used as collateral) or ISIN is not available in principle.

Q42. Do you agree with this approach? What other aspects need to be considered? Please elaborate on the reasons for your response.

Q43. Do you believe there are other use cases that need to be further defined in this subsection? Do you agree with the applicability of those use cases to the different types of SFTs as outlined above? Please detail the reasons for your answers.

Q44. Do you agree with the population of the counterparty data fields? Please detail the reasons for your response and indicate the table to which your comments refer.

Q45. Do you agree with the approach to reporting action types? Please detail the reasons for your response and include a reference to the specific table.

Q46. Do you agree with the approach to reporting event date? Please detail the reasons for your response and include a reference to the specific table.

Q47. Do you agree with the approach to reporting clearing? Please detail the reasons for your response and include a reference to the specific table.

Q48. Do you agree with the approach to reporting trading venue field? Please detail the reasons for your response and include a reference to the specific table.

Q49. Do you have any remarks or questions concerning the reporting of master agreements? Please detail the reasons for your response and include a reference to the specific table.

Q50. Do you agree with the approach to reporting conclusion and beginning of an SFT? Please detail the reasons for your response and include a reference to the specific table.

Q51. Do you agree with the approach to reporting term of the SFT? Please detail the reasons for your response and include a reference to the specific table.

Q52. Do you see any issues with the approach to reporting termination optionality? Please detail the reasons for your response and include a reference to the specific table.

Q53. Which of these approaches do you favour for reporting general and specific collateral? Please detail the reasons for your response.

Q54. Do you agree with the approach to reporting collateral arrangements? Please detail the reasons for your response and include a reference to the specific table.

Q55. Do you agree with the approach to reporting fixed and floating rates of SFTs? Please detail the reasons for your response and include a reference to the specific table.



Q56. Do you see any issues with the approach to reporting repo and BSB/SBB principal amounts? Please detail the reasons for your response and include a reference to the specific table.

Q57. Do you agree with the approach regarding reporting fields 2.51 and 2.90? Please elaborate on the reasons for your response.

Q58. Do you agree with the approach to reporting securities on loan? Please detail the reasons for your response and include a reference to the specific table.

Q59. Do you agree with the approach to reporting SFTs involving commodities? Please detail the reasons for your response and include a reference to the specific table.

Q60. Do you agree with the approach to reporting cash rebate SLBs? Please detail the reasons for your response and include a reference to the specific table.

Q61. Do you agree with the approach to reporting non-cash collateral SLBs? Please detail the reasons for your response and include a reference to the specific table.

Q62. Do you agree with the approach to reporting margin loan data? Please detail the reasons for your response and include a reference to the specific table.

Q63. Do you agree with the approach to reporting collateralisation? Please detail the reasons for your response and include a reference to the specific table.

Q64. Do you agree with the approach to reporting cash collateral? Please detail the reasons for your response and include a reference to the specific table.

Q65. Do you agree with the proposed approach? Please detail the reasons for your response.

Q66. Do you agree with the proposed approach for calculating collateral haircuts or margin? Please provide justification for your response.

Q67. Do you agree with the proposed approach for reporting collateral type field? Please detail the reasons for your response.

Q68. Do you agree with the proposed approach for reporting Availability for collateral reuse? Please detail the reasons for your response.

Q69. Do you agree with the proposed approach for reporting fields Identification of security and LEI of issuer? Are you aware of instances where securities provided as collateral do not have an ISIN? Please detail the reasons for your response.

Q70. Do you agree with the proposed approach for reporting plain vanilla bonds as collateral? Please detail the reasons for your response.

Q71. Do you agree with the proposed approach for reporting perpetual bonds as collateral? Please detail the reasons for your response.

Q72. Do you agree with the proposed approach for reporting main index equities as collateral? Please detail the reasons for your response.

Q73. Do you agree with the proposed approach for reporting variation margining with additional provision of securities by the collateral provider? Please detail the reasons for your response.

Q74. Do you agree with the proposed approach for reporting variation margining with return of the same securities to collateral provider? Please detail the reasons for your response.

Q75. Do you agree with the proposed approach for reporting variation margining with return of different securities to the collateral provider? Please detail the reasons for your response.



Q76. Do you agree with the proposed approach for reporting prepaid collateral? Please detail the reasons for your response.

Q77. Do you agree with the proposed approach for reporting portfolio code? Please detail the reasons for your response.

Q78. Do you agree with the approach to reporting margin data? Please detail the reasons for your response and include a reference to the specific table.

Q79. Do you have any comments on the scope of the non-cash collateral re-use measure, and are there practical obstacles to the reporting? In the case of margin lending, do you agree with the exclusion of securities that cannot be transferred to the prime broker's account due to rehypothecation limits agreed contractually?

Q80. Do you have any comments on cash collateral reinvestment, and do you agree with the scope?

Q81. Do you agree with the proposed approach for reporting reuse, reinvestment and funding sources? Please detail the reasons for your response and include a reference to the specific table.

Q82. What other aspects need to be considered with regards to the aforementioned approach with regards to treatment of rejection feedback? Please detail the reasons for your response.

Q83. What other aspects need to be considered with regards to the aforementioned approach with regards to treatment of reconciliation feedback? Please detail the reasons for your response.

Q84. What other aspects need to be considered to make the process more efficient? Please elaborate on the reasons for your response?

Q85. Do you have any comments on the aforementioned practicalities relating to the provision of access to SFT data to authorities? What other aspects need to be considered to make the process more efficient? Please elaborate on the reasons for your response?