

Regulatory initiatives on the identification and reporting of SFTs:

An overview

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Background

Regulatory initiatives are currently under way to foster transparency in repo and securities lending and borrowing markets. Taken together, these initiatives have the potential to substantially change the way repos and other securities financing transactions (SFTs) are processed today. The push by regulators for more transparency and data on SFTs can be seen in the context of the so-called “shadow banking” agenda which aims to complete the regulatory post-crisis reforms. It is also related to an increasing interest in SFTs in general, with the market moving from unsecured to secured financing. Another stream of regulation that will have an important impact on the SFT lifecycle is the harmonisation of settlement discipline regimes across Europe. The industry will have to identify an efficient operating model to manage these changes. ICMA’s role is to help firms to better understand the regulatory requirements and to serve as a forum to agree on a harmonised industry approach, where appropriate.

Aims of this paper

The main aim of this paper is to provide an overview of all relevant ongoing regulatory initiatives with an impact on SFT reporting and post-trade processing more broadly. This should help to assess the resulting need for changes in existing post-trade processes for SFTs, with a particular focus on the impact on firms’ trade confirmation and affirmation practices, but also extending to the settlement instruction and matching process. It should also serve as a useful basis for further industry work to achieve a more harmonised approach.

The ultimate objective could be to establish standardised procedures, templates and messaging formats for the post-trade processing of repos beyond existing best practices, allowing compliance with upcoming regulatory requirements.

Approach

- Description of the current situation and industry work undertaken to date on the issue of SFT transparency (part 1)
- Assessment of the most relevant regulatory initiatives (part 2), including in each case:
 - A brief description of the context of the initiative (point a)
 - An overview of the key requirements (point b)
- A brief description of other related initiatives (part 3)

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1. State of play and industry work to date

- The ICMA ERC [Guide to Best Practice in the European Repo Market](#) (latest version of 27 July 2015) includes detailed guidance on confirmation and affirmation practices for repo transactions - in particular, paragraphs 2.33 to 2.39 (confirmation) and 2.40 to 2.45 (affirmation). The Guide also includes template forms of confirmations in Annex II of the GMRA (Annex V of the Guide).
- The October 2013 ICMA ERC white paper *Enhancing the transparency of the European repo market* (annexed to the joint [ICMA ERC – ISLA response](#) to the FSB consultation on haircuts on non-centrally cleared SFTs) provides a first overview of ICMA’s ongoing work on ways in which to enhance transparency in respect of the European repo market, whether through the establishment of a repo data repository (“DR”) or otherwise.
- In the context of the different regulatory initiatives listed below, ICMA moreover produced some more specific comments, including the [ICMA response](#) to the FSB’s public consultation on SFT data collection and aggregation (February 2015), some detailed informal feedback to the ECB on their draft guidance in relation to the Money Market Statistical Regulation and the ICMA ERC Operations Group [response](#) to the Bank of England consultation on sterling money market data collection (October 2015).
- On 8 December 2015, the ICMA ERC Operations Group published a [standardised template for trade matching and affirmation](#) (TMA) of repos, which aims to establish a list of harmonised matching fields that can be used by firms and which supports the fulfilment of the various reporting requirements described below. The TMA template was prepared in cooperation with several post-trade vendors and was published alongside a Glossary of terms explaining the different recommended fields included in the Template.
- It is also worth mentioning the more advanced work on the derivatives side in relation to transparency and reporting (see e.g. ISDA’s work on a [reporting protocol](#)), as parts of this work will be an important reference for repo reporting. One example is the Financial products Markup Language (FpML), an open source XML standard developed for electronic dealing and processing of OTC derivatives. Driven by demand from the Russian market, an early mover in the field of repo reporting, a repo message type is currently under construction and is expected to be deployed for messaging in the Russian market in the course of 2015.

Box 1: Confirmation fields in the ERC Best Practice Guide

1. Contract Date:
2. Purchased Securities [state type[s] and nominal value[s]]:
3. CUSIP, ISIN or other identifying number[s]:
4. Buyer:
5. Seller:
6. Purchase Date:
7. Purchase Price:
8. Contractual Currency:
- [9. Repurchase Date]:*
- [10. Terminable on demand]:*
11. Pricing Rate:
- [12. Sell Back Price]:*
13. Buyer’s Bank Account[s] Details:
14. Seller’s Bank Account[s] Details:
- [15. The Transaction is an Agency Transaction. [Name of Agent] is acting as agent for [name or identifier of Principal]]:*
- [16. Additional Terms]:*

*Delete as appropriate

Box 2: Recommended matching fields in the ICMA ERC TMA template

Transaction details	<ol style="list-style-type: none"> 1. Transaction Type 2. Agreement Type* 3. Direction 4. DvP 5. Open / Term 6. Reference* 7. Trading Venue* 8. Clearing location*
Economic Details	<ol style="list-style-type: none"> 9. Trade Date 10. Purchase Date 11. Re-Purchase Date 12. Nominal 13. Security ID 14. Security Description* 15. Contractual Currency 16. Fx Rate* 17. Trade Price 18. Rate Type 19. Repo Rate 20. Rate Index 21. Rate Spread 22. Day Count Fraction 23. Haircut* 24. Haircut % Rate* 25. Initial Margin* 26. Initial Margin % Rate* 27. Days to Put/Call*

	28. Call Period* 29. (Net Onside Amount) 30. Net Off-side Amount
Allocation and Settlement Details	31. Securities Settlement System 32. Counterparty Name 33. Legal Entity ID* 34. Buyer Settlement Details 1 - Local Agent BIC Code 35. Buyer Settlement Details 2 - Local Agent Account Number 36. Buyer Settlement Details 3 - Beneficiary / Custodian BIC Code 37. Buyer Settlement Details 4 - Beneficiary / Custodian account number* 38. Seller Settlement Details 1 - Local Agent BIC Code 39. Seller Settlement Details 2 - Local Agent Account Number 40. Seller Settlement Details 3 - Beneficiary / Custodian BIC Code 41. Seller Settlement Details 4 - Beneficiary / Custodian account number*

* Optional fields

2. Regulatory initiatives

(i) EU: Securities Financing Transactions Regulation (SFTR)

a. Background:

- On 18 June 2015, Council and Parliament reached a [political agreement](#) on the Commission's proposal for an EU Regulation on the reporting and transparency of SFTs. The final text was subsequently formally adopted by both co-legislators and will be published in the Official Journal in due course. The Regulation will enter into force 20 days after publication.
- While the level 1 text includes rather high-level principles on SFT reporting and the reuse of collateral, it also mandates ESMA to prepare detailed technical standards on various provisions in order to specify the technical details of implementation.
- In terms of timing, once the level 1 text has entered into force, ESMA will have 12 months to prepare draft technical standards and submit them to the Commission for adoption.
- In the context of the SFTR, the ECB has launched a project to build a central SFT Data Store, which would collect, store and analyse SFT data received from trade repositories. The aim is to make the data available to ESCB central banks and potentially regulators.
- In order to ensure the consistency of the collected SFT data, the ECB is seeking market input and has therefore established an industry Advisory Group to discuss the detailed data specifications. The AG had its first meeting on 16 September 2015 and aims to conclude the discussions by June 2016. The ICMA ERC is closely involved in the discussions and was asked to appoint two representatives as members of the Advisory Group.

b. Relevant requirements:

<i>Issue</i>	<i>Details</i>	<i>Scope</i>	<i>Timing</i>
Reporting	Counterparties to report	a) Entities:	Reporting

(art.4)	<p>the details of all SFTs concluded, as well as any modification or termination thereof to a trade repository specifically authorized under SFTR. Data to be reported includes information on the reuse of collateral (see box below for the detailed items).</p> <p>Timing: transaction details to be reported no later than on the working day following the conclusion, modification or termination of the transaction.</p> <p>Delegation: The reporting obligation may be delegated to a third party</p>	<p>Reporting requirements apply to all EU based financial and non-financial counterparties to SFTs (including any third country branches of EU firms and EU branches of third country firms).</p> <p>b) Instruments: Definition of SFT covers repos and buy/ sell backs as well as securities/ commodities/ margin lending and borrowing.</p> <p>c) Backloading: In addition to all newly concluded SFTs (following the date of application of SFTR), firms also need to report outstanding SFTs that have, on the date of SFTR application, a remaining maturity of more than 180 days (or open repo that remain outstanding for more than 180 days). These need to be reported within 190 days of the date of SFTR application.</p> <p>d) Exemptions: (1) Entities: Members of the ESCB, other public bodies with similar functions, EU public bodies charged with or intervening in the management of the public debt; BIS; (2) Transactions with the ESCB being a counterparty do not need to be reported</p>	<p>requirements will only apply after a transitional period of 12 months (for banks and investment firms, with some further time allowed for other types of firms) following the entry into force of the SFTR technical standards (i.e. application date would be around end 2017).</p>
Record-keeping (art.4.2)	<p>Counterparties to keep a record of any SFT concluded, modified or terminated for at least five years following the termination of the transaction</p>	<p>Any counterparty to an SFT (subject to scope above)</p>	
Collateral reuse (art.15)	<p>Conditions for the right to re-use collateral: (i) duly inform in writing of</p>	<p>Entities: Counterparties engaging in reuse either established in the EU</p>	<p>Reuse requirements in art.15 apply after a transitional period of</p>

	<p>risks and consequences of granting a right to re-use or concluding a title transfer agreement (ii) prior written consent to re-use in case of security collateral arrangement; or (iii) express agreement to provide collateral via title transfer</p> <p>In addition, for any exercise of the right to re-use, collateral received has to be transferred from the account of the providing counterparty</p>	<p>(including third country branches), EU branches of third country counterparties or third country counterparties if the relevant financial instruments have been provided under a collateral arrangement by an EU-based counterparty.</p>	<p>6 months from the date of entry into force of the Regulation (ie during Q2 2016).</p> <p>At that moment, the requirements will not only apply to new collateral arrangements but also to all arrangements already in place at the actual date of entry into force of the Regulation (ie 6 months earlier).</p>
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▪ **ESMA technical standards to specify:**

- (1) Details of the reports for the different types of SFTs. SFTR article 4(7) includes a list of minimum data items to be reported (see box below)
- (2) Format and frequency of the reports. Format to include at least LEIs, ISINs and unique trade identifiers

Box 3: SFTR minimum data items to be reported (art. 4§7)

7. In order to ensure consistent application of this Article and in order to ensure consistency with the reporting made under Article 9 of Regulation (EU) No 648/2012 and internationally agreed standards, ESMA shall, in close cooperation with and taking into account the needs of the ESCB, develop draft regulatory technical standards specifying the details of the reports referred to in paragraphs 1 and 3 for the different types of SFTs that shall include at least:

- (a) the parties to the SFT and, where different, the beneficiary of the rights and obligations arising from it;**
- (b) the principal amount; currency; assets used as collateral and their type, quality, and value; the method used to provide collateral; whether collateral is available for reuse; in cases where it is distinguishable from other assets, whether it has been reused; any substitution of the collateral; the repurchase rate, lending fee or margin lending rate; haircut; value date; maturity date; first callable date; and market segment.**
The technical standards shall take into account the technical specificities of pools of assets and shall provide for the possibility of reporting position level collateral data where appropriate.

- (c) Depending on the SFT, details shall also be included on the following :
 - i. cash collateral reinvestment;
 - ii. securities or commodities being lent or borrowed.
 - (...)

Box 4: Re-use of collateral (art.15§1-2)

1. Any right of counterparties to reuse financial instruments received as collateral shall be subject to at least all the following **conditions**:
 - (a) the providing counterparty has been **duly informed in writing** by the receiving counterparty of the risks and consequences that may be involved in:
 - (i) granting consent to a right of use of collateral provided under a security collateral arrangement in accordance with Article 5 of Directive 2002/47/EC; or
 - (ii) concluding a title transfer collateral arrangement.In the circumstances laid down in this point, the providing counterparty shall at least be informed in writing of the risks and consequences that may arise in the event of the default of the receiving counterparty.
 - (b) the providing counterparty has granted its **prior express consent**, as evidenced by the signature in writing or in a legally equivalent manner, of the providing counterparty to a security collateral arrangement, the terms of which provide a right of use in accordance with Article 5 of Directive 2002/47/EC, **or has expressly agreed to provide collateral by way of a title transfer collateral arrangement**.
2. Any exercise by counterparties of their right to reuse shall be subject to at least all the following **conditions**:
 - (a) reuse is undertaken in accordance with the terms specified in the collateral arrangement referred to in point (b) of paragraph 1;
 - (b) the financial instruments received under a collateral arrangement are **transferred from the account of the providing counterparty**.By way of derogation to point (b), where a counterparty to a collateral arrangement is established in a third country and the account of the counterparty providing the collateral is maintained in and subject to the law of a third country, the reuse shall be evidenced either by a transfer from the account of the providing counterparty or by other appropriate means.

(ii) ECB: Money Market Statistical Reporting Regulation (MMSR)

a. Background:

- [ECB Regulation No 1333/2014](#) concerning statistics on the money markets was published on 26 November 2014 and entered into force on 1 January 2015.
- The Regulation applies to all monetary financial institutions (MFIs) based in the euro area (including EU and EFTA branches) that have been identified by the ECB's Governing Council as 'reporting agents'. It imposes detailed reporting obligations for all money market transactions, including SFTs.
- On 24 September 2015, the ECB published detailed [Reporting instructions for the electronic transmission of MMSR](#). These were published alongside an [updated version](#) of the MMSR amending some of the terms defined in the Annexes of the law in order to align them with the reporting instructions, as well as a number of [additional documents](#) with more specific guidance on the reporting formats and a [Q&A document](#).

b. Relevant requirements:

Issue	Details	Scope	Timing
Reporting	For each SFT transaction in scope, a list of data items	a) Entities: At the first stage, the ECB has	The first reporting will start on 1 April 2016 for

	<p>needs to be reported (specified in the upcoming final reporting instructions). For repo transactions, 24 data items have been defined by the ECB (see box below).</p> <p>Timing: Data to be reported <u>daily</u> to NCAs or the ECB directly. Data to be received by the ECB:</p> <ul style="list-style-type: none"> (i) before 7am on T+1 for the largest MFIs; or (ii) before 1pm on T+1 for all other reporting agents; <p>NCBs have however the possibility to allow certain smaller reporting agents to report daily data only on a weekly basis.</p> <p>Format: Data to be reported according to XML format (ISO 20022 compliant). Further details are set out in an IT appendix for reporting agents.</p>	<p>designated the 53 largest euro area MFIs (balance sheet assets > 0.35% of total of all euro area MFIs), including all their EU and EFTA branches), as reporting agents. Other euro area MFIs can be added by the ECB to the list of ‘reporting agents’ as of 1 January 2017 based also on other criteria. The ECB will ensure that at least 3 MFIs per euro area Member State are covered. Once the Regulation is in force NCBs may add further MFIs from their jurisdictions based on their national statistical requirements.</p> <p>b) Transactions: Reporting to cover all transactions between the reporting agent and other MFIs, financial intermediaries, insurance corporations, pension funds, general government or central banks for investment purposes, non-financial corporations classified as ‘wholesale’ according to the Basel III LCR framework. The qualifying principle is the location where the transaction is booked (Reporting agent and all its EU and EFTA branches) and not where it was originated or executed.</p> <p>c) Instruments: Reporting of all daily euro denominated repos (incl. tri-party), unsecured lending and borrowing, FX swaps and overnight index swaps (all 4 data sets separately).</p> <p>The definition of repo covers: repo/ reverse-repo as well as buy-sell/ sell-buy back</p>	<p>the largest euro area MFIs. There will be a three-month transitional period ending 30 June 2016 with only limited frequency of reporting.</p> <p>The ECB aims to allow reporting agents at least one year (between designation and start of reporting) to prepare compliance.</p>
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		<p>transactions with maturity/term of up to 1 year. The reporting requirements do not extend to securities lending and borrowing.</p> <p>Exclusions:</p> <ul style="list-style-type: none"> (i) Intra-group transactions (ii) transactions related to Eurosystem tender operations and marginal lending facilities 	
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Box: ECB MMSR reporting elements – secured money market

Variable name	Description
1. Reported transaction status	This variable contains information about the status of the transaction, i.e. it includes details on whether the transaction is a new transaction, an amendment of a previously reported transaction, a cancellation of a previously reported transaction or a correction to a previously reported and rejected transaction.
2. Unique transaction identifier	This variable specifies the UTI, which is a unique code that allows a transaction in the respective market segment to be identified. To be provided only if available.
3. Proprietary transaction identification	This is the unique internal transaction identifier used by the reporting agent for each transaction. The PTI with which each transaction will be transmitted and identified must be unique per market segment and reporting agent.
4. Counterparty proprietary transaction identification	This variable specifies the PROPRIETARY TRANSACTION IDENTIFICATION assigned by the counterparty of the reporting agent to the same transaction. To be provided if available.
5. Counterparty identification	This variable provides the LEI of the counterparty of the reporting agent. This variable must only be provided if the counterparty is a credit institution or a supranational authority, e.g. the International Monetary Fund (IMF) or the transaction is conducted via a central clearing counterparty (CCP). In the latter case, this variable must specify the LEI of the CCP. In all other cases, e.g. when the counterparty is a non-financial corporation and the transaction is not conducted via a CCP, this variable must be left blank and COUNTERPARTY SECTOR and COUNTERPARTY LOCATION must be provided.
6. Counterparty sector	This variable provides the institutional sector, e.g. non-financial corporation, central bank, etc. of the counterparty. The COUNTERPARTY SECTOR must be provided for all transactions where the COUNTERPARTY IDENTIFICATION is left blank.
7. Counterparty location	This is the ISO country code of the country in which the counterparty is incorporated. The COUNTERPARTY LOCATION must be provided for all transactions where the COUNTERPARTY IDENTIFICATION is left blank.

8. Triparty agent identification	The tri-party agent identification will be provided by reporting the tri-party agent's LEI. This field is mandatory for all tri-party transactions. It will not be included in the message for other types of transactions.
9. Trade date	This variable specifies the date and time at which the parties enter into the reported transaction. It is to be reported with only the date when the time of the transaction is not available. The reported time is the execution time when available or otherwise the time at which the transaction entered the trading system of the reporting agent.
10. Settlement date	This is the date on which the cash is initially exchanged versus the asset as contractually agreed. In the case of rollover of open basis repurchase transactions, this is the date on which the rollover settles, even if no exchange of cash takes place. In the case of a settlement failure in which settlement takes place on a date different than initially agreed, no transactional amendment needs to be reported.
11. Maturity date	This variable specifies the repurchase date, i.e. the date on which the cash is due to be returned or received versus the asset pledged or received as collateral. In the case of open basis repos, the first date on which the initial transaction or the subsequent rollovers can be terminated will be reported as the maturity date.
12. Transaction type	This variable specifies whether the transaction is carried out for borrowing or lending cash.
13. Transaction nominal amount	This variable is the amount in euro initially borrowed or lent and is to be reported as an absolute value. The MMSR message must specify that the currency is euro.
14. Rate type	This variable specifies whether the transaction interest rate of the repurchase agreements is either fixed or floating (variable rate).
15. Deal rate	This variable represents the interest rate expressed in accordance with the ACT/360 money market convention at which the repurchase agreement was concluded and at which the cash lent is to be remunerated. When the remuneration for securities lending transactions is represented by a fee amount, the fee amount will be translated into a deal rate per annum based on the ratio between the fee amount and the transaction nominal amount multiplied by 360 divided by the number of days between the settlement date and the maturity of the transaction. Only actual values, not estimated or default values, will be reported for this variable. This value can be positive or negative irrespective of whether the cash is borrowed or lent. It represents the contractually agreed remuneration rate on the transaction nominal amount regardless of the transaction sign (i.e. whether the TRANSACTION TYPE is borrowed or lent). This field will only be reported in case RATE TYPE is fixed rate.
16. Reference rate index	This variable is the underlying reference rate on the as is on which the periodic

	<p>interest payments are calculated.</p> <p>This field will only be reported for floating rate repurchase agreements.</p>
17. Basis point spread	<p>This variable is the number of basis points added to (if the BASIS POINT SPREAD has a positive value) or deducted from (if the BASIS POINT SPREAD has a negative value) the underlying reference rate to calculate the actual interest rate applicable for a given period at the issuance of the floating rate repurchase agreement.</p> <p>This field will only be reported for floating rate repurchase agreements.</p>
18. Collateral ISIN	<p>This variable specifies the ISIN of the collateralised asset. COLLATERAL ISIN can be classified according to the following three categories within the 'Valuation' block of the 'Collateral' block of the MMSR message:</p> <ul style="list-style-type: none"> - single collateral if the security used for collateral can be identified by a single ISIN. - multiple collateral if the securities used for collateral can be identified by individual ISINs. The field collateral ISIN is repetitive, to allow for more than one security to be reported. - collateral pool (or basket) if the eligible collateral is represented by a pool or basket of securities. The ISIN collateral for a collateral pool or basket will be reported if it can be identified by a single generic ISIN. Otherwise, it must be classified in the COLLATERAL TYPE field in the 'OtherCollateral' block of the MMSR message. <p>This field is optional for:</p> <p>(1) Tri-party repurchase agreements not conducted against a basket of securities for which a generic ISIN exists.</p> <p>(2) Collateral types for which no ISIN is available.</p> <p>Whenever COLLATERAL ISIN is not provided, COLLATERAL TYPE, COLLATERAL ISSUER SECTOR and COLLATERAL POOL need to be provided.</p>
19. Collateral pool	<p>This variable indicates whether the asset pledged as collateral is a collateral pool.</p>
20. Collateral type	<p>This variable identifies the asset class pledged as collateral. This field is mandatory only when the asset pledged as collateral cannot be identified with an ISIN.</p> <p>When individual ISINs are provided this field does not have to be included in the message.</p>
21. Collateral issuer sector	<p>This variable represents the institutional sector, e.g. central government, central bank, etc. of the issuer of collateral.</p> <p>When individual ISINs are provided this field does not have to be included in the message.</p>
22. Special collateral indicator	<p>This variable identifies all repurchase agreements conducted against general collateral and those conducted against special collateral.</p> <ul style="list-style-type: none"> - General collateral is a repurchase transaction in which the security lender may choose the security to pledge as collateral with the cash provider amongst a relatively wide range of securities meeting predefined criteria; - Special collateral is a repurchase transaction in which the cash provider requests a specific security (individual ISIN) to be provided by the cash borrower.

	This field is optional but it should be provided if feasible for the reporting agent.
23. Collateral nominal amount	This variable specifies the nominal amount in euro of the asset pledged as collateral. This is not reported for tri-party repos and any other transaction in which the asset pledged is not identified via individual ISINs. This field is repetitive if the transaction is collateralised with more than one security. In the case of a multi-collateral repo, the nominal amount of each collateralised security must be provided. On the reporting date, the full amount in euro should be reported with an absolute, i.e. non-negative value.
24. Collateral haircut	This variable specifies the collateral haircut, a risk control measure applied to underlying collateral whereby the value of that underlying collateral is calculated as the market value of the assets reduced by a certain percentage. For reporting purposes the collateral haircut will be calculated as 100 minus the ratio between the cash lent/borrowed and the market value including accrued interest of the collateral pledged multiplied by 100. In the case of multi-collateral repos the haircut will be based on the ratio between the cash borrowed/lent and the market value, including accrued interest, of each of the individual collateral pledged. Only actual values, not estimated or default values, will be reported for this variable. Reporting of this field is only mandatory for single collateral transactions, otherwise it is optional. Furthermore, this field is optional in case of tri-party repurchase agreements and in all cases in which secured borrowed/lending takes place against a collateral pool.

(iii) Bank of England: Sterling money market data collection

a. Background:

- On 30 July, the BoE launched a [public consultation](#) on a planned new data collection initiative in relation to sterling money markets, following similar initiatives by other central banks (see ECB MMSR). The consultation sets out the proposed approach to this new data collection – covering the intended reporting population, reporting requirements and anticipated timetable. The ICMA ERC Operations Group submitted a [response](#) to the consultation by the deadline of 1 October 2015.
- Based on the consultation responses, the BoE published on 6 November 2015 a [response](#) to the feedback received and a revised [final version](#) of the proposed arrangements for the new sterling money market data collection, extending among other things the initially proposed implementation timeline.

b. Relevant requirements:

<i>Issue</i>	<i>Details</i>	<i>Scope</i>	<i>Timing</i>
Reporting	1) Most active firms would be expected to report more	a) Entities: Reporting to take place at legal	The first annual data submission is to be

	<p>detailed information on a <i>daily transaction-by-transaction basis</i> (see list of data items below)</p> <p>Timing: daily data to be submitted between the close of RTGS payment system and 7.00am the following business day)</p> <p>Format: In line with other reporting initiatives, transactions have to be reported using the ISO 20022 Methodology.</p> <p>2) Less active firms would have to report aggregated information on an <i>annual basis</i> (number of trades and total turnover)</p>	<p>entity level (rather than at consolidated group level) and to include any relevant activity by EEA branches (non EEA branches at firms' discretion). Legal entities to report are:</p> <ul style="list-style-type: none"> • Banks incorporated in the UK; • Banks incorporated outside the UK authorised to accept deposits through a branch in the UK; • Building societies; and • Major investment firms – PRA-designated investment firms. <p>Divided into two populations:</p> <p>1) <u>Most active firms</u>: To cover around 90% of the market (composition to be reviewed on an annual basis).</p> <p>2) <u>Less active firms</u>: all other firms in scope</p> <p>b) Instruments & transactions: Data collection covers both secured and unsecured transactions. Secured money market transactions (repo, reverse repo and buy-sell-backs) to be reported, if:</p> <p>(1) concluded in own name</p> <p>(2) counterparty is a 'wholesale' market participant (i.e. not classified as 'retail' under CRR LCR framework)</p> <p>(2) recipient is the borrower or lender of sterling cash;</p> <p>(3) secured against UK government-issued stock (e.g. gilts, treasury bills, BoE bills) or, at firms' discretion, secured against any sterling-denominated fixed-income securities.</p> <p>(4) the amount borrowed is at</p>	<p>submitted to the Bank on 8 January 2016 (based on November 2015 data only). Based on the first survey, daily reporters will be notified by end-January 2016. Daily reporting will commence within five months from notification by end-June 2016.</p> <p>Early adopters will start submitting data in February 2016 with transition to daily reporting anticipated to take place during June 2016.</p>
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		<p>least £1 million; and (5) the original maturity is no more than one year. Forward-starting transactions should be included.</p> <p>Triparty repo: all transactions where sterling cash is borrowed or lent, secured against baskets of any fixed income securities</p> <p>Exclusions: (1) Intra-group transactions (2) Retail deposits (3) Transactions as part of BoE sterling market operations</p>	
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Box: BoE reporting elements – secured money market

1. Reported transaction status
2. Branch identification
3. Unique Transaction Identifier (where available)
4. Proprietary transaction identification
5. Counterparty proprietary transaction identification (where available)
6. Counterparty identification (LEI, where available)
7. Counterparty sector (optional)
8. Proprietary counterparty name (if 6 not provided)
9. Counterparty location (if 6 not provided)
10. Triparty agent identification
11. Trade date
12. Settlement date
13. Maturity date
14. Transaction type
15. Transaction nominal amount
16. Rate type
17. Deal rate
18. Reference rate index
19. Basis point spread
20. Brokered deal
21. Collateral ISIN (where available)
22. Collateral pool status
23. Collateral type
24. Collateral issuer sector
25. Special collateral indicator (optional)
26. Collateral nominal amount
27. Collateral haircut (mandatory for single collateral transactions)

(iv) EU: CSD Regulation (settlement discipline)

a. Background:

- The EU [CSD Regulation](#) (CSDR) entered into force in September 2014 and includes harmonised settlement discipline measures which will have important implications for the processing of SFTs.
- ESMA is currently working on technical standards specifying the details of implementation of many of the level 1 articles, including the provisions on settlement discipline (penalties and buy-ins) included in the level 1 text. On 28 September 2015, ESMA submitted a first set of final draft standards to the Commission for adoption. However, these did not include the final RTS on settlement discipline which have been postponed following another consultation launched by ESMA in July specifically on the buy-in process. The final draft standards on settlement discipline are now expected to be released in early 2016.
- **Implementation timeline:** In general, most of the relevant CSDR requirements will apply once the related technical standards have been adopted by Commission, Council and Parliament. ESMA is considering longer transition periods for some of the technical standards, including settlement discipline (see overview table).

b. Relevant requirements:

<i>Issue</i>	<i>Details</i>	<i>Scope</i>	<i>Timing</i>
Trade confirmation	<p>Trading venues to establish procedures to allow for same day trade confirmation</p> <p>Investment firms to have arrangements in place with professional clients to ensure prompt allocation and confirmation of acceptance/ rejection of terms in good time before the intended settlement date (same day or T+1 in case of late trade execution or time zone differences >2 hours). ESMA will specify in technical standards a list of minimum fields required for account allocations (see below).</p>	<p>Entities: Trading venues and investment firms as authorised under MiFID2</p>	<p>ESMA has suggested a transition period for CSDR settlement discipline measures of 24 months (from the date of entry into force of the technical standards): this would imply an effective application in 2018, and thus after the full roll-out of T2S.</p>
Matching	CSDR introduces a list of	Entities:	See above

fields	harmonised matching fields , including “transaction type” which would allow for the identification of repos (see below). It remains to be seen whether ESMA decides to introduce this field as a mandatory or an optional matching field, as advocated e.g. by T2S.	<ul style="list-style-type: none"> - CSDs to introduce - Fields to be used by CSD participants and reflected further down the settlement chain 	
Late settlement penalties	CSD to establish procedures to address settlement fails, including late settlement (cash) penalties for each day a transaction fails to settle	<p>a) Entities:</p> <ul style="list-style-type: none"> - CSDs to introduce; - Measures to apply to all failing CSD participants <p>b) Instruments:</p> <p>All transactions in transferable securities (MiFID2), money-market instruments, UCITS and emission allowances, which are admitted to trading or traded on a trading venue or cleared by a CCP. This includes SFTs.</p> <p>Exemptions:</p> <ul style="list-style-type: none"> (i) Failing participant is a CCP (ii) Insolvency proceedings opened against failing participant (iii) “Principal venue for the trading of shares is located in a third country” 	See above
Mandatory buy-ins	Mandatory buy-in process to be initiated at the end of the “extension period” (normally 4 days after ISD, in some cases extended to 7 days)	<p>a) Entities:</p> <p>A number of open questions remain around the responsibility for the execution of buy-ins. In its latest consultation paper on mandatory buy-ins (June 2015), ESMA proposed three options: 1) Trading level execution, 2) Trading level execution with fall-back option (CSD participants liable for payments), 3) CSD participant level execution</p> <p>b) Instruments:</p>	See above

		Same as for penalties, but limited exemption for short-dated SFTs: Start leg of an STF is exempt from mandatory buy-in if its term is sufficiently short (current ESMA proposal: less than 7 days, but possibly to be extended)	
Access to information	CSD to inform participants about pending instructions and to provide real-time access to information on: (1) SI status (matched/ on hold/ partially settled etc) (2) Settlement fails (penalties, buy-in information and cash compensation)	CSDs	See above
CSD reporting	Detailed reporting and record-keeping requirements for CSDs	a) Entities: CSDs b) Instruments: CSDR level 2 will contain detailed lists of items that CSDs will have to report, in particular on settlement fails. Fails reporting may require a distinction of SFTs.	In principle, once the related technical standards on CSD record-keeping enter into force. However, the same transition period as for settlement discipline might apply given that both issues are linked.

Box: Matching fields required by proposed CSDR technical standards

(1) Minimum list of fields covered by trade allocations from professional clients (art.2(1) of ESMA draft RTS on settlement discipline):

- (a) transaction type (covering at least the types of transactions specified in point f) of Article 4(2));
- (b) ISIN;
- (c) deliver/receive;
- (d) quantity (for equities) or nominal amount (for fixed income securities);
- (e) trade date;
- (f) trade price;
- (g) currency;
- (h) intended settlement date;
- (i) total cash to be delivered or received;
- (j) identifier of the entity that maintains the securities;
- (k) securities account name/number and/or cash account name/ number;
- (l) any beneficiary account names/numbers of the buyer/seller.

(2) Minimum list of mandatory matching fields for the matching of settlement instructions (art.3(3) of ESMA draft RTS on settlement discipline)

- (a) instruction type (covering at least the types of instructions specified in point h) of Article 4(2));
- (b) intended settlement date;
- (c) trade date;
- (d) transaction type (covering at least the types of transactions specified in point f) of Article 4(2));
- (e) currency (not applicable in the case of FoP settlement instructions);
- (f) settlement amount (not applicable in the case of FoP settlement instructions);
- (g) quantity (for equities) or nominal amount (for fixed income securities);
- (h) deliver/receive;
- (i) ISIN;
- (j) identifier of the participant delivering the financial instruments and/or the cash, according to the CSD rules;
- (k) identifier of the participant receiving the financial instruments and/or the cash, according to the CSD rules;
- (l) identifier of the CSD of the participant's counterpart.

(v) FSB initiative on SFT data collection and aggregation

a. Background

- In August 2013, the FSB published its [Policy Framework for Addressing Shadow Banking Risks in Securities Lending and Repos](#), as part of its “Work Stream 5” on Securities Lending and Repo. The framework sets out policy recommendations for national authorities to collect SFT data and to share them with the FSB for aggregation and analysis in order to allow for an assessment of global trends in financial stability.
- As a follow-up to this report, in November 2014 the FSB published a consultative document with [Standards and Processes for Global Securities Financing Data Collection and Aggregation](#). The document includes more detailed guidance on SFT data elements that national authorities will be asked to report to the FSB, as well as data architecture issues related to the data collection and transmission from the reporting entity to local authorities and from the latter to the global level. ICMA [responded](#) to this consultation in February 2015.
- On 18 November 2015, based on the outcome of the consultation, the FSB published its final [Standards and Processes for Global Securities Financing Data Collection and Aggregation](#), defining the data elements for repos, securities lending and margin lending that national/regional authorities will be asked to report as aggregates to the FSB for financial stability purposes.
- **In terms of next steps**, the final *Standards and Processes* also outline the projected timeline for implementing the global data collection and aggregation:
 - **By the end of 2015**, the FSB aims to complete its stocktaking of national regimes on SFT data collection and form two sub-groups under the existing Data Expert Group, focusing on governance and data management respectively.
 - **In 2016**, both sub-groups are expected to finalise their work (Q3) and the FSB plans to set out a detailed timetable for the start of reporting to the global data aggregator
 - **In 2017 – 2018**: Pilot projects and launch of operations of the global data aggregator;

- **By the end of 2018:** Start of reporting from national authorities to the FSB

b. Relevant requirements:

Issue	Details
Data architecture	<p>Two-tiered approach:</p> <p>1) National/regional authorities to:</p> <ul style="list-style-type: none"> ▪ Collect data frequently and with a high level of detail: Details of reporting to be decided by national authorities depending on market structure and existing data collection processes, but in line with general FSB recommendations (see below) ▪ Aggregate data on a monthly basis and submit to FSB (no individual counterparty information) <p>2) FSB to:</p> <ul style="list-style-type: none"> ▪ Further aggregate the data, analyse and provide global trends of securities financing markets
Scope	<p>Global aggregates to cover:</p> <p>a) Entities:</p> <ul style="list-style-type: none"> ▪ All SFT counterparties (<u>financials and non-financials</u>) ▪ Purely locational approach, i.e. all resident institutions in a given jurisdiction, including foreign owned subsidiaries and branches <p>b) Instruments:</p> <ul style="list-style-type: none"> ▪ Repo, sell/buy back, securities lending, margin lending ▪ Separate lists of minimum data fields defined for: (i) repo, reverse repo, sell/buy backs, (ii) securities lending, (iii) margin lending
Data fields	<p>Minimum data fields defined for global aggregates (more granular reporting at national level possible) for repo, reverse repo, sell/buy back:</p> <p>(i) Flow data (=transactions traded over a certain period of time)</p> <ul style="list-style-type: none"> ▪ Collected on reverse repo cash leg only ▪ All transactions traded over a certain period of time (spot leg has been traded during the reporting period) ▪ Data items limited to: (i) number, (ii) principal amount, (iii) currency and (iv) maturity of trades (see box 5.2) <p>(ii) Position/stock data (=outstanding balance of all transactions measured at a given point in time)</p> <ul style="list-style-type: none"> ▪ Total gross amount of loans (cash leg) received for repo or provided for reverse repo ▪ Aggregated according to specific classifications (see boxes 5.3-5.4)
Double counting	<ul style="list-style-type: none"> ▪ Problem of double counting complex due to differences in national

	<p>reporting regimes (e.g. single-sided vs double sided reporting, differences in scope).</p> <ul style="list-style-type: none"> ▪ Locational approach to be applied by national authorities <u>prior to</u> data submission to FSB, or by global aggregator in case of double counting of cross-border transactions ▪ <u>Possible solutions:</u> (i) aggregate approach (reporting entities to classify counterparty) or (ii) granular approach (national aggregator corrects double counting based on counterparty identifier/ LEI)
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Box 5.1: FSB recommendations for national/regional data collection

<p>(1) Data standards should be consistent with the data elements, granularity level and definitions as defined in the report</p> <p>(2) All jurisdictions to design their local requirements with a minimum monthly reporting period and frequency (allowing FSB to produce global aggregates and trends no later than 2 months after the reference date).</p> <p>(3) Reporting population to be comprehensive or at least highly representative of the respective securities financing markets</p> <p>(4) National/regional authorities to define an appropriate consolidation scope that would not hamper the global comparability and aggregation of data (if collected on a global consolidated basis at national level, there should be a flag allowing to extract local operations)</p> <p>(5) Data to be corrected for double-counting at national/regional level before submitting to the FSB</p> <p>(6) Use of internationally agreed standard identifiers (e.g. LEIs) is encouraged to reduce the reporting burden and to improve the consistency of aggregates at the global level.</p>

Box 5.2: Loans flow data (reverse repo)

<i>Element</i>	<i>Definitions</i>
Reporting period	The month in which the trade date for a transaction falls.
Number of transactions traded during the reporting period	The number of transactions traded in the reporting period.
Original maturity	<p>Maturity buckets of transactions traded in the period (in calendar days):</p> <ul style="list-style-type: none"> • Open or continuing terms contracts for which no maturity date is specified • Overnight, including 1-day term trades or longer that mature the next business day • from 2 days to 1 week • from over 1 week to 1 month • from over 1 month to 3 months • from over 3 to 12 months • more than 1 year
Currency	All currencies are reported, using ISO 4217 currency code (three letter code such as USD, GBP, EUR, JPY)
Principal amount	The amount of cash provided for transactions traded in the reporting period, in millions of USD

Box 5.3: Loans stock data

Element	Definitions
Reference date	End-of-month date at which the snapshot of outstanding transactions is reported to the FSB.
Type of contract	<ul style="list-style-type: none"> • Repo and sell/buy back operations • Reverse repo and buy/sell back operations whose spot leg date is equal or earlier than the reference date and whose forward leg is later than the reference date.
Sector of the reporting party to a trade	<p>The reporting party is the cash taker for repo or sell/buy back operations and the cash provider for reverse repo or buy/sell back operations. The sector classification is based on the System of National Accounts (SNA) definitions and consistent with other FSB initiatives (e.g. the GSIBs common data template) as much as possible:</p> <ul style="list-style-type: none"> • Banks (SNA: deposit-taking corporations) • Broker-dealers and investment firms • MMFs • ETFs • REITs • CCPs • Other investment funds • Other financial corporations • Insurance/re-insurance corporations • Pension funds, retirement, charitable, and non-profit accounts • General government (transactions with central banks are excluded) • Non-financial corporations (including public non-financial corporations, large corporate and small-medium enterprises) and other sectors
Market segment – trading	<p>Transactions traded:</p> <ul style="list-style-type: none"> • on a pure principal-to-principal basis or • with the intermediation of an agent
Market segment – clearing	<p>Transactions:</p> <ul style="list-style-type: none"> • centrally cleared or • not centrally cleared
Counterparty sector	See “Sector of the reporting party to a trade” for the classification. In the case of centrally cleared transactions, the counterparty sector is reported as “CCP”.
Counterparty jurisdiction	<p>Jurisdiction where the counterparty operates based on a pure locational approach as described in Section 3.1.2. For centrally cleared transactions, the jurisdiction of CCP is reported. All counterparty jurisdictions are reported, using ISO 3166 country codes (two letter code such as US, UK, JP). If materiality thresholds apply, jurisdictions below the thresholds are classified into a category “others”.</p>
Residual maturity	<p>See “Original maturity” in Box 5.2</p> <p>For “evergreen” contracts, the residual maturity is based on the minimum notice period. For repos with a put, maturity is based on the first day the put can be exercised.</p>
Repo rate	The repo rate is explicitly set and separately paid in a classic repo while, in jurisdictions where repo is carried out as sell-buy back, the rate is implicit in the difference between the forward price (including repo interest) and

	<p>the spot price.</p> <p>In case the interest rate is floating (e.g. based on a benchmark), the repo rate is the sum of the benchmark rate plus spread as of the reference date. As a starting point, 0.1% increments are recommended, with a final calibration of globally consistent buckets to be agreed upon by national/regional authorities.</p>
Cash currency	See Box 5.2
Principal amount	<p>The amount of cash provided (reverse repo) or received (repo) in millions of USD, on a gross basis.</p> <p>In the case of centrally cleared transactions, pre-novation amount is reported.</p>

Box 5.4: Collateral stock data

Element	Definitions
Reference date	See "Reference date" in Box 5.3.
Type of contract	See "Type of contract" in Box 5.3.
Sector of the reporting party to a trade	See "Sector of the reporting party to a trade" in Box 5.3.
Market segment – clearing	See "Market segment - clearing" in Box 5.3.
Collateral management	<p>Collateral for transactions managed</p> <ul style="list-style-type: none"> • by a tri-party agent or • bilaterally
Counterparty sector	See "Counterparty sector" in Box 5.3.
Counterparty jurisdiction	See "Counterparty jurisdiction" in Box 5.3.
Collateral re-use eligibility	<p>Whether collateral is eligible for re-use:</p> <ul style="list-style-type: none"> • Yes • No <p>Re-use of collateral means any use of assets received as collateral by the collateral taker.</p>
Collateral type	<p>The collateral actually allocated at the reference date (it is also applicable for cases such as callable bonds, tri-party substitutions and other forms of collateral turnover) are classified into the following collateral types:</p> <ul style="list-style-type: none"> • Government securities • Supra-nationals and agencies securities • Debt securities (including covered bonds) issued by banks and other financial institutions • Corporate debt securities (including covered bonds) issued by non-financial institutions • Securitised products • Main index equities (including convertible bonds) • Other equities (including convertible bonds) • Other assets (including shares in mutual funds), excluding cash
Collateral quality	<p>Debt securities are split into:</p> <ul style="list-style-type: none"> • Investment grade • Non-investment grade • Non-rated
Collateral currency	Currency of denomination of collateral assets.

	All currencies are reported, using ISO 4217 currency code (three letter code such as USD, GBP, EUR and JPY)
Collateral residual maturity	Non-cash collateral other than equities is classified into the following maturity buckets: <ul style="list-style-type: none"> • below 1 month • more than 1 month and up to 3 months • more than 3 months and up to 1 year • more than 1 year and up to 5 years • more than 5 and up to 10 years • more than 10 year
Jurisdiction of the issuer of the underlying security	See “Counterparty jurisdiction” in Box 5.3. In case of securities issued by a foreign subsidiary, the jurisdiction of the ultimate parent company is preferred, but the jurisdiction of the subsidiary could be reported in case of difficulties to identify the ultimate parent.
Haircut	Report actual haircut (cash investor margin levels) on non-centrally cleared transactions with 0.5% increments.
Collateral market value	Gross market value of the collateral in millions of USD, as of the reference date

3. Other related initiatives:

(i) ECB: TARGET2-Securities (T2S)

- In July 2008, the ECB’s Governing Council decided to launch the T2S project, one of the largest Eurosystem infrastructure projects so far. T2S will provide a single settlement platform for all markets that decide to participate in the project.
- The platform went live on 22 June 2015, with initially 4 CSDs connected. Monte Titoli followed on 31 August 2015. The remaining 16 T2S markets will migrate to the common platform in three further waves with the final wave of CSDs scheduled to migrate in September 2017 (revised migration timeline as of December 2015).
- T2S will bring a significant harmonisation of post-trade processes across participating markets, with potential impacts also on SFTs and their post-trade processing
- Among other things, T2S introduces harmonised matching fields, divided into three categories: (i) mandatory matching fields, (ii) additional matching fields (mandatory if completed by one counterparty), (iii) optional matching fields
- Currently T2S does not allow for the identification of SFTs. The identification of SFTs at the settlement level would thus require CSDs to develop such functionality
- If T2S was to introduce in the future a functionality to allow for the identification of SFTs this should help to support market wide harmonisation and might reduce the compliance burden for firms

T2S mandatory matching fields	
Settlement type and parameters	1. Payment type
	2. Securities movement type
Trade details	3. Trade date

	4. ISD
FI identification	5. ISIN
Quantity and account details	6. Settlement quantity
Delivering settlement parties	7. CSD of delivering party
	8. Delivering party BIC
Receiving settlement parties	9. CSD of receiving party
	10. Receiving party BIC
Settlement amount	11. Currency
	12. Settlement amount
	13. Credit/ Debit

(ii) MiFIR transaction reporting regime:

- MiFID2 and MiFIR were passed into law in April 2014 and published in the Official Journal on 12 June 2014. According to the Level 1 texts Members States have time until 3 July 2016 to transpose and implement the laws in national law. Both texts would then apply on 3 January 2017.
- Given recent discussions on the practicality of these dates, a further delay in implementation now seems highly likely.
- MiFIR includes detailed requirements on transaction reporting, applying in principle to all transactions in financial instruments “admitted to trading or traded on a trading venue or for which a request for admission to trading has been made”
- Following some discussion on the applicability of the MiFIR reporting regime to SFTs, the final [draft technical standards](#) published by ESMA on 28 September 2015 now explicitly exempt SFTs that are subject to SFTR reporting requirements. This exemption is effective even before the actual reporting under SFTR commences, so that SFTs would at no point in time be subject to MiFIR reporting.
- There is however a remaining question in relation to the treatment of SFTs that have been granted an explicit exemption from SFTR reporting. As the MiFIR RTS exemption only applies to those SFTs that are actually reported under SFTR, it is not fully clear whether MiFIR requirements would still apply to those SFTs that have been explicitly exempted under SFTR (e.g. SFTs concluded with ESCB members).

MiFIR draft RTS 22: Meaning of transactions (art.255a)

5. A transaction for the purposes of Article 26 of Regulation (EU) No 600/2014 shall not include: (a) a securities financing transaction as defined in Regulation [Securities Financing Transactions –full reference to be inserted when available] that either
(i) has been reported under that Regulation ; or
(ii) is, at a time prior to the date of obligation of Article 4 of that Regulation, a securities financing transaction for which there would be a reporting obligation under that Article if the Article applied at that time.

(iii) Global LEI System

- At the November 2011 Cannes Summit, G20 leaders tasked the FSB to take the lead in developing recommendations for a global LEI and a supporting governance structure. The resulting FSB proposals were endorsed by the G20 Leaders in June 2012.
- The governance of the Global LEI System (GLEIS) consists of the [Global LEI Foundation](#) (GLEIF) (established in June 2014 as the operational arm of the GLEIS) as well as the [Regulatory Oversight Committee](#) (ROC) of 60 national supervisors (established in Jan 2013 to coordinate and oversee the system).
- The LEI itself is a 20-character, alpha-numeric code, to uniquely identify legally distinct entities that engage in financial transactions. They are issued by Local Operating Units (LOU), endorsed by the LEI ROC.
- By mid-November 2015, over 400,000 entities from 189 countries had already obtained an LEI from their LOU. The GLEIF maintains a [central database](#) of all LEIs allocated to date.
- LEIs will be an important part of SFT data reporting. The use of LEIs is already mandated by law in several jurisdictions. This is particularly the case in the field of OTC derivatives reporting, but also increasingly through other initiatives (e.g. EU CSDR).

(iv) CPMI-IOSCO work on UTIs and UPIs

- Besides LEIs, regulators globally are also keen to establish a system of Unique Transaction Identifiers (UTIs) and Unique Product Identifiers (UPIs).
- UTIs (or Unique Swap Identifiers (USIs) in the US) and UPIs have already been mandated by law in several jurisdictions, in particular in the derivatives space, however in the absence of critical harmonised global standards for both identifiers
- IOSCO and the FSB are currently working on a single global system of UTIs and UPIs. CPMI-IOSCO's Harmonisation Working Group is working on guidance on the development of a uniform global Unique Trade Identifier (UTI) (by early 2016) and uniform global Unique Product Identifier (UPI) (by late 2016). A first consultative report on the [Harmonisation of the Unique Transaction Identifier \(UTI\)](#) was issued by CPMI-IOSCO on 19 August. Based on the feedback received, CPMI-IOSCO is currently working on the final guidance which is expected to be published in early 2016.
- In parallel, CPMI-IOSCO is also working on a global UPI and issued on 17 December 2015 a first consultative report on the [Harmonisation of the Unique Product Identifier](#) (deadline to respond is 24 February 2016). A separate consultative report on more specific code proposals is envisaged to be published in the course of 2016.
- On the side of the industry, ISDA is closely involved in the discussions on UPIs and UTIs and has done extensive work on both issues in a derivatives context. This includes work on global [industry standards](#) on the use of UTIs and a [taxonomy](#) as a basis for UPIs. Jointly with other associations, ISDA has also submitted a detailed [response](#) to the CPMI-IOSCO consultation on UTIs.

- Although the bulk of the work on UTIs and UPIs at global level is currently focused on OTC derivatives markets, this work will be a relevant precedent for the repo market as well, which will have to accommodate the UTI concept in the near future.

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