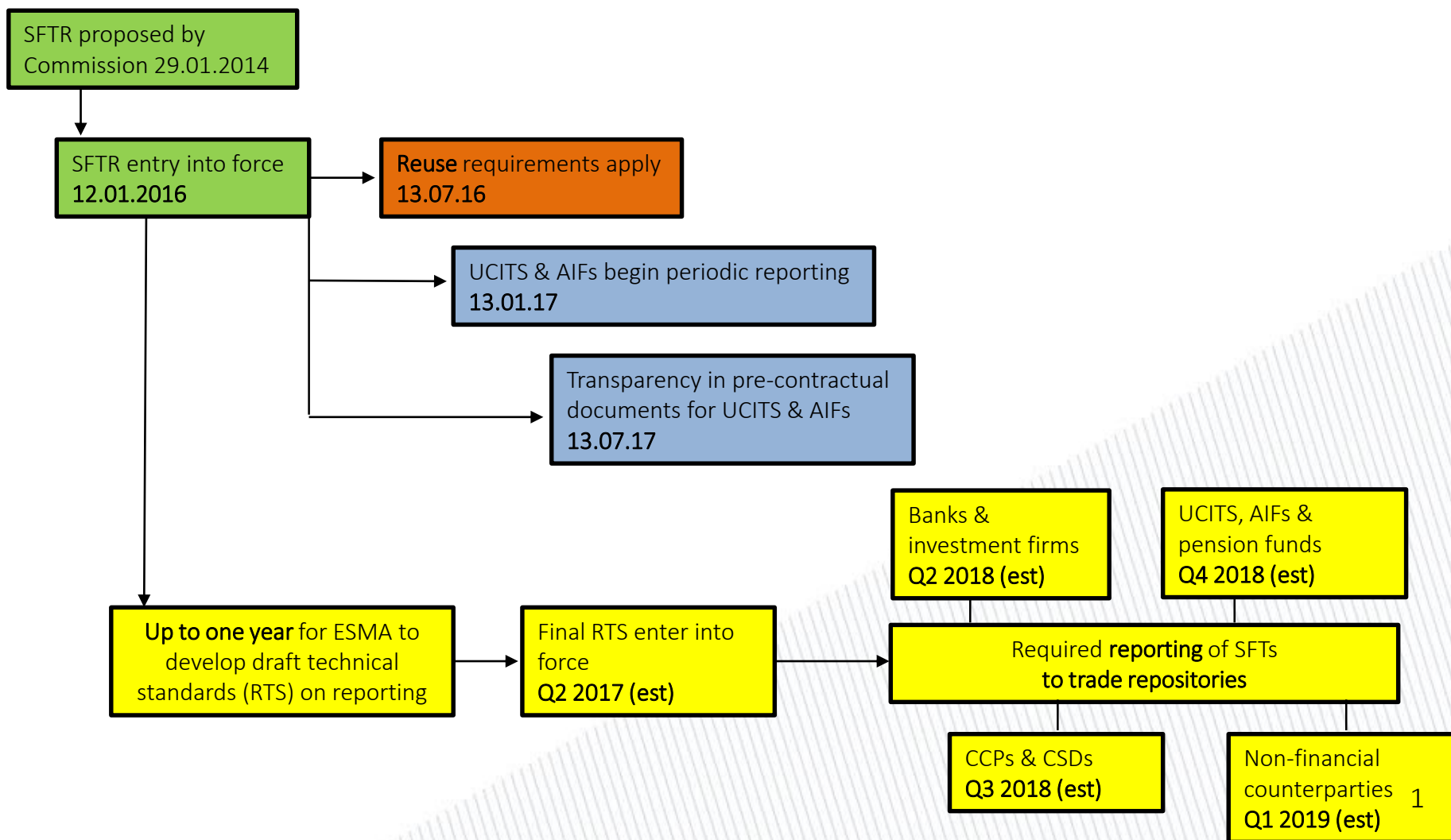


EU SFT Regulation (SFTR): Timeline



SFTR Level 2: Where do we stand?

- Level 1 text requires counterparties to report the details of all SFTs concluded, modified or terminated no later than on T+1 to specifically authorised TRs
- ESMA mandated to prepare regulatory technical standards (RTS) detailing the reports for each type of SFT – to be submitted by **13 January 2017**
- First ESMA discussion paper published on 11 March 2016:
 - 75 reporting fields suggested for each repo trade
 - Questions around reporting of collateral pools and margining
 - Proposals on the tracking of re-use particularly problematic
 - Consistency with FSB standards on global SFT data aggregation?
 - Detailed [ICMA ERCC response](#) prepared by our SFTR TF and submitted on 22 April
- Second ESMA consultation, including draft RTS and ITS, expected in late September/early October 2016

EU Commission: European Post Trade Forum (EPTF)

“(...) to support more efficient and resilient post-trading systems and collateral markets, the Commission will undertake a broader review on progress in removing Giovannini barriers to cross-border clearing and settlement, following the implementation of recent legislation and market infrastructure developments.”

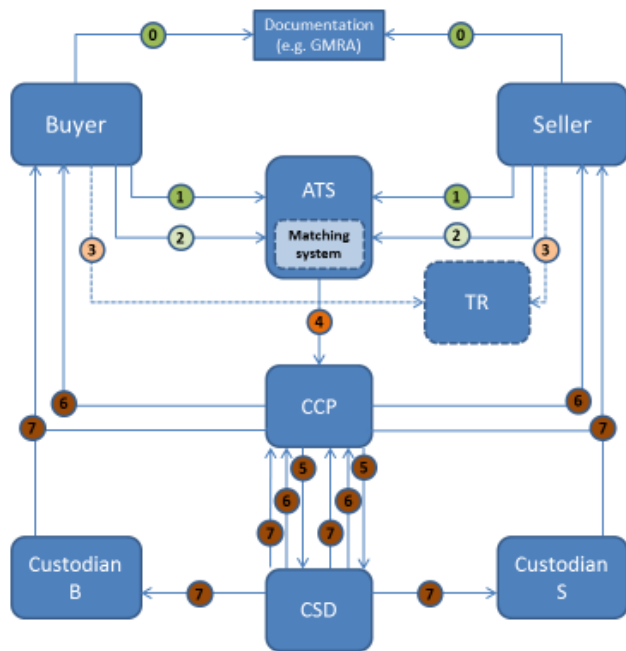
Action Plan on Building a Capital Markets Union, European Commission (Sep 2015)

- [EPTF](#) created in early 2016 to assist the Commission in this review
- Members include mainly European financial industry associations as well as a few independent experts – ICMA and ISLA were added to the membership in Sep 2016
- Work is split in 2 phases:
 1. **Stocktaking exercise:** Draft report submitted to the Commission, including chapter on collateral
 2. **Identification of remaining barriers:** Based on 2 questionnaires circulated in July 2016
- Final EPTF report including Phase 1 and 2 to be delivered by Spring 2017

ECB: COGESI work on collateral management

- ECB's [Contact Group on Euro Securities Infrastructures](#) (COGESI) brings together representatives from Eurosystem, commercial banks & infrastructures – ICMA ERCC is represented through its Chairman
- Group decided in Nov 2015 to “explore further key elements of collateral management activities, which are key for harmonisation (from an operational perspective)”
- 3 work streams created as a result:
 - **Collateral mobility:** prompt access, effective cross-border connections, tri-party interoperability
 - **Collateral holding and segregation:** collateral transparency, asset segregation, insolvency
 - **Collateral messaging** – ERCC Ops in the lead
- Objective is to put forward guidance for harmonisation of business processes, workflows, and messaging in the course of 2017

ERCC Ops work on collateral messaging



2. Anonymous-electronic
 ✓ ATS
 ✓ CCP

#	Process	Repo product identified? [Yes/ No]	Messaging standard [ISO15022/ ISO20022/ FpML/ IBML/ SWIFT proprietary/ FIX 4.4/ Other/ None]	Message syntax (where applicable) [XML/ proprietary/ other]	Message type (where applicable) [e.g. MTxxx]	Message transmission [Telephone/ Fax/ email/ FTP/ proprietary system (e.g. SWIFT, Bloomberg/ proprietary interface (CCP, custodian)/ Third Party)]
0	Legal documentation					
1	Trade execution					
2	Matching/ confirmation					
3	Trade reporting					
4	Trade feed to CCP					
5	Settlement instruction (PoA)					
6	Matching & settlement status					
7	Lifecycle management					

