

## SFTR implementation

*SFTR reporting successfully went live on 13 July.* This was three months after the original start date, thanks to the delay granted by ESMA in March in response to a letter submitted by ICMA. As a result of the delay, firms in the first two phases of the staged implementation process started reporting at the same time (banks and investment firms, as well as the CCPs and CSDs).

The “go-live” itself exceeded expectations, especially compared to the experience with similarly complex reporting regimes in the past, such as MiFIR and EMIR. The first few weeks of SFTR reporting have been smooth and without any major disruptions. Acceptance rates reported by trade repositories (TRs) have been consistently high, around 95% since the beginning. All of this shows that the vast majority of firms went into the go-live well prepared and is certainly a testament to the extensive cross-industry collaboration over the past years, coordinated by ICMA on the repo side.

Following acceptance by trade repositories, the reports enter the reconciliation process, which includes the pairing of the two sides of the report and the matching of the individual reporting fields. These aspects remain more challenging, but this had been anticipated given the complexity of the reporting requirements and the sheer number of fields. There are also still some inherent issues with the reporting rules as defined by ESMA, which create significant noise in the reconciliation data and which mean that firms often struggle to fully understand and resolve reporting breaks.

ICMA's [SFTR Task Force](#) has continued to meet frequently following the go-live to review any issues brought up by the reporting. Based on feedback from members, ICMA has compiled a list of the main reporting problems encountered by firms and is working through those to understand if and how they can be resolved. The list already captures nearly 50 different reporting problems and a first version of the document has been shared with ESMA and some key national competent authorities (NCAs).

The discussions on the reporting issues also directly feed into the ongoing work on best practices, in particular the detailed *ICMA Recommendations for Reporting under SFTR*. The document was initially published on 24 February and continues to evolve. The fourth and latest edition was [released on 7 September](#). At close to 300 pages, the document sets out detailed recommendations on over 100 issues covering all aspects of SFTR.

In terms of next steps, the industry is now gearing up to the go-live of SFTR phase 3 on 12 October which will see the start of reporting by buy-side firms. In view of the buy-side go-live, on 17 September ICMA held a virtual panel with a few key members of the SFTR Task Force who came together to discuss the lessons from the first two months of reporting. A recording of the webinar is available on the [ICMA website](#) along with the related presentation.

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