Response submission from the ICMA European Repo and Collateral Council
Re: ESMA Consultation Paper on Draft RTS and ITS under SFTR and amendments to related EMIR RTS

A. Introduction

On behalf of the European Repo and Collateral Council (“ERCC”) of the International Capital Market Association (“ICMA”),¹ the purpose of this letter is to provide feedback on ESMA’s consultation paper (CP) on Draft RTS and ITS under the EU SFT Regulation. This response submission complements our detailed comments submitted in April 2016 in response to ESMA’s related discussion paper (DP) as well as our written responses to a set of additional questions sent to us by ESMA in preparation for this consultation.

We would like to thank ESMA for the opportunity to respond to this consultation paper and note that the ICMA ERCC supports the objective of ensuring that there is appropriate transparency of securities financing transactions (SFTs). The ICMA ERCC has itself actively contributed to this through its bi-annual repo market surveys published since 2001, which have given a special insight into the collection of market data. In line with the mandate of the ERCC, the focus of this response is on those questions of ESMA’s CP that are of particular relevance for the repo market. Given the challenging timeline for the adoption of the draft RTS and ITS, we have tried to be as constructive as possible in our comments and to set out concrete alternatives where possible, both in the individual responses and the attached Excel tables. The ICMA ERCC remains at ESMA’s disposal if there is any need for clarification and follow-up discussion. We believe that sufficient time is needed to carefully analyse

¹ Since the early 1990’s, the International Capital Market Association (ICMA) has played a significant role in promoting the interests and activities of the international repo market, and of the product itself. The ICMA European Repo and Collateral Council (ERCC) has become the industry representative body that has fashioned consensus solutions to the emerging, practical issues in a rapidly evolving marketplace, consolidating and codifying best market practice. The discussions that take place at the ICMA ERCC meetings underpin the strong sense of community and common interest that characterises the professional repo market in Europe. In support of the work of the ICMA ERCC, the ICMA ERCC’s Operations Group brings together relevant specialists to focus on all applicable post trade activities and has contributed substantially to this response.
the important challenges related to SFT reporting and to design a reporting regime that is effective from the outset for both regulators and the industry, even if this comes at the cost of a further delay in the adoption process. Before addressing the specific questions posed by ESMA in the CP, we would like to set out a number of key comments which are further articulated in the following paragraphs:

B. Key comments

(1) Workability of the reporting regime:

ICMA ERCC members strongly believe that it is a shared interest of both industry and supervisors that the SFTR reporting regime is both effective in its ambition to increase the transparency of SFT markets and efficient in achieving its goals without disproportionately burdening reporting firms. We would point out that the latter is an objective that has been repeatedly stressed by European legislators, most recently in the Commission’s follow-up communication on the Call for Evidence.2 The ICMA ERCC is keen to support ESMA in the most constructive way possible to help achieve both of these objectives. We welcome the progress made by ESMA since the DP, but would like to highlight that there is still significant scope for further improvements that would lead to a more effective reporting regime for regulators without disproportionately burdening the industry. First and foremost, we believe that this requires a significant reduction of both reporting fields and reconciliation fields, as well as a substantial increase in the applicable tolerance levels. The current proposals risk undermining the effectiveness of the SFTR regime while at the same time disproportionately burdening the industry and supervisors alike.

To illustrate the disproportionate nature of the current proposals, we would like to draw ESMA’s attention to the fact that the 74 reporting fields for repo (excluding margining and re-use data) proposed by ESMA is three times the number required in the ECB’s money market statistical reporting (25) and two and a half times the number required in the Bank of England’s equivalent regime (30); and is even more granular in comparison to the recommendations of the FSB.

As highlighted throughout our response and in our separate comments in relation to the reporting fields in the attached Excel file, there is significant scope to reduce the number of required reporting fields, without reducing the level of transparency. Many of the proposed fields can be derived in a straightforward way from other reported items or are readily available from central data sources, which should be leveraged whenever this is reasonably possible. If ESMA is unwilling to allow such derivation to be performed by trade repositories, it should be possible to delegate this task to the ESCB SFT Datastore. As detailed in our comments on the specific fields, this is relevant for many data items, and particularly collateral-related information. In fact, we have identified at least 24 fields in the attached Excel file (again excluding margining and re-use data) that could be removed from the list of reporting fields without any loss in terms of transparency. We would also like to highlight that a significant reduction in the number of fields would by no means be inconsistent with the Level 1 SFTR text which explicitly lists only a relatively small subset of fields as core information to be collected. Similarly, we would urge ESMA to reduce drastically the number of reconciliation (i.e. matching) fields and/or to increase substantially the proposed tolerance levels, presuming that the aim is to achieve meaningful matching rates post Trade Repository reconciliation.

We would also like to point out that this does not preclude ESMA and/or the co-legislators from increasing the number of reporting fields and, probably even more importantly, reconciliation fields over time, where this is deemed necessary. Starting with less fields and getting the process working well would seem to make far more sense than overburdening all concerned and finding that it is simply not possible to establish a robust process. In case data analysis subsequently highlights that

there are still important gaps needing to be suitably addressed to properly inform policymakers, it will of course always remain possible to introduce additional required reporting fields. Similarly, reconciliation can be increased where supervisors observe a low level of data quality in relevant data items. Again, a gradual approach appears to be fully consistent with EMSA’s mandate provided in the Level 1 text, both in relation to reporting and reconciliation fields.

The ICMA ERCC continues to have serious doubts on the need for splitting repo reporting between repurchase transactions (classic repo) and buy/sell-backs, and thus duplicating the reporting fields. We welcome the improvements introduced by ESMA in this regard, but set out in our response below and the attached Excel table a number of proposals to further align the reporting framework for repos and buy/sell-backs.

(2) Reporting by Financial Market Infrastructures:

Collecting information directly from the relevant market infrastructures, such as CCPs and tri-party agents, would be another way to increase significantly both accuracy and timeliness of the reporting, as well as reducing the aggregate reporting burden for the industry. This would be particularly relevant in those instances where the relevant infrastructures are themselves subject to a reporting obligation. The most obvious example would be CCPs in the case of the reporting of margining of CCP-cleared SFTs, which can be far more efficiently and accurately collected from CCPs directly, given the complications introduced by netting and the fact that only these institutions see the whole process.

On a related issue and as already pointed out in our response ESMA’s DP, we would like to reiterate that in our view it is unnecessary and misleading to require bilateral repo trades that are intended for registration with CCPs post trade to be reported twice. Given that these are contractually contingent on the CCP accepting the trade and given the generally very short timeline of the process any trades intended for CCP clearing will only exist for reporting purposes as trades with the CCP as counterparty.

(3) Reporting of re-use:

As the ICMA ERCC has highlighted repeatedly, the required reporting of re-use is a particularly problematic aspect of the proposed reporting regime, which in itself will cause substantial implementation costs. We strongly support reporting of re-use on a monthly, not on a daily basis. This would significantly reduce the ongoing reporting burden without reducing disproportionately the value of the information for regulators. Both the FSB and ESRB see changes in re-use as a gradual and longer-term process.

Estimated re-use figures should be reported as a snapshot, on an aggregated ISIN by ISIN basis and as part of the proposed (separate) re-use report.

(4) Reporting of margining:

In the ICMA ERCC’s view, the current framework for the reporting of margin data needs further adjustments. In the case of CCP-cleared SFTs, the separate margin data table currently does not support margin in the form of securities. In the case of bilateral repo trades, in order to avoid confusion, it seems preferable to split the reporting of margining more clearly from the reporting of collateral updates. This could be achieved by defining another report specifically for the margining of bilateral trades, separate from the template for the margining of CCP-cleared trades, which would allow firms to report bilateral margining on a position level. The Repo industry is predominantly governed by the Global Master Repurchase Agreement (GMRA) which dictates that business is
conducted in this way, with a clear distinction between trade collateral and portfolio level margin collateral.

(5) Reporting timeline:

The ICMA ERCC welcomes ESMA’s recognition that collateral-related information is in many cases not available by the T+1 reporting timeline, in particular for agent managed activity. However, we regret that ESMA has “corrected” the initially proposed reporting timeline in cases where this information is not available on T+1. We would like to underscore that the proposal to require collateral allocations to be reported on Value Date (as opposed to VD+1) presents a significant reporting challenge and is likely to result in a marked deterioration in data accuracy and quality. Much of this data will only be available outside normal working hours, such that if it is then populated it is unlikely to be reconciled or validated prior to submission. As such we suggest the requirement should be for reporting at the latest on VD+1, essentially mirroring the use of T+1 (rather than T) for the basic transaction reporting.

(6) Alignment with EMIR and global SFT reporting initiatives:

The ICMA ERCC welcomes ESMA’s efforts to further align the SFTR reporting regime with the one already implemented under EMIR for OTC Derivatives (OTCD). We would, however, also caution that there are important differences between OTCD and SFT markets which need to be appropriately reflected in the reporting framework. One example of such differences is collateral valuation. Collateral valuation is currently conducted under each firm’s bilateral terms of business and trading agreements (GMRA, GMSLA, EMA etc). As a reporting regime, it would not appear appropriate for SFTR to impose any accountancy standard (including IFRS 13) on how firms go about their business.

Similarly, at a global level the FSB is playing an important part in creating globally-agreed recommendations applicable to SFTs. These should be respected to the fullest extent possible and those areas where the FSB is still engaged in ongoing work should not be pre-empted. The same applies to the alignment with global work undertaken in relation to derivatives data elements (see e.g. the latest CPMI-IOSCO consultation on critical OTCD data elements other than UPI and UTI). However, also in this case, while an alignment is in principle very welcome, the specific characteristics of SFT markets need to be carefully taken into account.
C. ICMA ERCC responses to the individual questions

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**Q3** Do you agree with the above proposals? What else needs to be considered? What are the potential costs and benefits of those? Please elaborate. [para 75-78] [Annex VI, p.233]

### 3.9 Format of the application under EMIR (p.31)

### 4 Reporting

#### 4.1 ISO 20022 (p.32)

[See para 84-86] [Annex VII, ITS, art.1, p.254]

As pointed out in our response to ESMA’s discussion paper (DP), the ICMA ERCC supports the use of a standardised ISO20022 reporting regime based on XML and notes that this has already been piloted and used for similar regimes, such as the ECB’s MMSR and the Bank of England’s money market reporting regime. Full alignment with ISO20022 standards will avoid unnecessary inconsistencies in the reported data.

However, we would also like to reiterate our previous comments in relation to ISO20022 governance arrangements and global consistency. If ISO20022 is mandated as standardised reporting format, it is important that appropriate ISO governance arrangements are in place that are open and sufficiently flexible to allow for timely adaptations to the standards where and when required by market needs. It is also important to note that the ISO20022 framework does not yet fully accommodate SFTs. We would expect European authorities to play an active role at a global level to push for the use of harmonised or at least fully interoperable messaging standards for SFTs.

#### 4.2 Reporting logic

#### 4.2.1 Proposed approach (p.33)

1. **Entity perspective:**

   **Q4** Do you consider that the currently used classification of counterparties is granular enough to provide information on the classification of the relevant counterparties? Alternatively, would the SNA be a proper way to classify them? Please elaborate. [para 90-91] [tables]

As pointed out in our response to ESMA’s DP and our high-level comments above, we would urge ESMA to derive as many data fields as possible from central static data sources, either at trade repository level or at the level of authorities. The classification of counterparties is a good example for a data field that could easily be populated at
central level using a centralised database. This would significantly reduce the reporting burden for firms and avoid unnecessary matching errors, resulting in a higher level of data quality.

Should ESMA insist on the need to capture this information from counterparties directly, the ICMA ERCC generally supports the use of a classification system that is consistent with EMIR. As both EMIR and SFTR, unlike MMSR, rely on trade repositories to collect the data, consistency between these regimes would appear to be of highest priority to allow trade repositories to develop a consistent offering across asset classes.

An important concern regarding the proposed classification of counterparties relates to the definition of ‘small non-financial counterparty’. While this is defined in the SFTR level 1 text in terms of balance sheet size and with reference to the EU Accounting Directive, it is not clear to us who will be responsible for tracking this information on an ongoing basis. We would like to stress that financial counterparties will not be in a position to continuously monitor the changing scope of the “mandatory delegation” and apply the SME exemption themselves. It should thus be clarified that it is the responsibility of the relevant exempt NFC to flag its status to the financial counterparty. We understand that this approach would be in line with EMIR. In the absence of such notice, the financial counterparty would have to assume that the NFC does not qualify as an exempt NFC and is itself subject to a reporting obligation.

We would also point out that the related implementation challenges resulting from the changing scope of the mandatory delegation in art.4(3), could be significantly reduced by extending the scope of the exemption to all non-financial counterparties. In the context of EMIR, we understand that it is being considered to apply single-sided reporting to all non-financial counterparties with the upcoming revisions of that law. The SFTR could be a useful test case for such a simplified regime. As a more general matter, we would like to stress ICMA’s consistent support for single sided reporting as a concept which promises important gains in terms of efficiency, reduced cost and most importantly for authorities increased data quality.

**Q5 Do you foresee issues in identifying the counterparties of an SFT trade following the above-mentioned definitions? [para 93-97]**

In the case of repo, identifying the counterparties should be relatively straightforward. The definitions provided by ESMA should generally be sufficient for this purpose, with the exceptions pointed out in our response to Q6.

**Q6 Are there cases for which these definitions leave room for interpretation? Please elaborate. [para 93-97]**

As pointed out in our response to ESMA’s DP, we would like to reiterate that the definition of ‘broker’ is not sufficiently clear and might lead to differences in interpretation. In this section as well as later in the CP, ESMA appears to regard a ‘broker’ sometimes as an agent and sometimes as a principal. In the description of the trade scenarios in section 4.2.4, ESMA introduces the term ‘broker/agent’ in repo scenario 1 but then also uses the term in the concept of ‘broker but on its own account’ (repo scenario 2). Furthermore, no provision appears to have been made for agents in the repo market, e.g. asset managers acting in an agent capacity. ‘Broker’ is also not a helpful term, given the possible confusion with broker-dealers. We therefore suggest to delete any reference to ‘broker’ and introduce instead a general category of ‘agent’, which is clearer and would avoid ambiguities. This would also avoid the confusion with the term ‘prime broker’ mentioned by ESMA which we note acts as a principal.

Another issue that we raised in our response to the DP and which does not appear to be addressed in the CP is the treatment of natural persons. We would like to ask ESMA to clarify how the reporting obligation applies to natural persons, which do not seem to be covered by the definitions for financial or non-financial counterparties. In
this context, we remark that the European Commission in its FAQs (No.14) in relation to EMIR states that individuals not carrying out an economic activity and who are consequently not considered as undertakings are not subject to the reporting obligation under EMIR. We would therefore ask ESMA to clarify whether this is also true for SFTR.

2. SFT perspective (transaction level v position level):

Q7 Based on your experience, do you consider that the conditions detailed in paragraph 106 hold for CCP-cleared SFTs? Please elaborate. [para 106]

The ICMA ERCC welcomes the clarifications provided by ESMA in relation to the concept of complementary position level reporting. In particular, we note that this would not be an “addition to trade level reporting” and thus not an “extra reporting burden”. We also note that complementary position level reporting is a “possibility that can be used when the conditions [set out in paragraph 106] are met” (para 101) and is thus optional rather than mandatory so that it can be applied where it makes sense from the perspective of the reporting entities concerned. Under EMIR for instance this position level reporting clearly makes sense in the specific case of ETDs.

In the context of CCP-cleared SFTs, optional position level reporting seems to be most relevant for the reporting of margining. As we pointed out above, this information could be most efficiently collected from CCPs directly. Moreover, as further explained in our comments to Q35, we would point out that position level reporting would also be required for the reporting of margining in the case of bilateral trades.

Finally, we note that there needs to be a common understanding among counterparties as to when optional position level reporting would be applied if there is an expectation to match such reports.

Q8 In the case of CCP-cleared SFT trades, is it always possible to assign and report collateral valuation and margin to separately concluded SFTs? If not, would this impair the possibility for the counterparties to comply with the reporting obligation under Article 4 SFTR? Please provide concrete examples. [para 98-107]

As a general comment, we would like to reiterate that prices for collateral valuation and margining information in the case of CCP-cleared SFTs could be far more efficiently collected directly from CCPs. Given that CCPs have a reporting obligation themselves such a regime should be relatively straightforward to implement and not cause significant legal challenges.

In addition, we would point out that, as is the case with bilateral repo, margining information for CCP-cleared SFTs will only be available at the arrangement/portfolio level.

Data elements:

Q9 Would the suggested data elements allow for accurate reporting at individual SFT level and CCP-cleared position level? In line with approach described above? [para 108-109]

We agree with ESMA that an additional field to distinguish trade level from position level reports would be necessary. Given that position level reporting is expected to be the exception it might make sense to define this as a flag to be added only in the case of position level reports.

It is not clear to us why a new action type for “position components” would be necessary.
As pointed out in our response to ESMA’s DP, we believe that position level reporting requires significantly fewer reporting fields and believe that the FSB’s work on data reporting should be seen as a sensible basis upon which to define what would be necessary.

Q10 If so, are there any specific issues that need to be taken into account to adapt the EMIR approach to the SFT reporting? [para 108-109]

In the case of repos and securities lending a standardised concept of ‘execution timestamp’ comparable to the derivatives space does not currently exist and would be challenging to implement, at least for repos that are traded off venue. The point of execution is not defined in either SFTR or any other applicable law and seems less relevant in the context of SFTs which are considered non-price forming trades under MiFIDII/R. Current market convention on voice repo trades will be the relevant time the counterparties book the trade in their system, which might differ significantly. We would therefore recommend to remove the ‘execution timestamp’ field from the reporting template. As an alternative, this should not be a matching field and ESMA needs to be aware that the reported times might differ initially by several hours, not minutes. In the longer term, we understand that a standardised concept could be developed if needed, but this would require a multi-year phasing in process, during which the industry can be encouraged to capture the actual point of execution, provided a standardised definition is available.

4.2.2 SFT reporting logic (p.40)

Q11 Do you agree with the proposed report types and action types? Do you agree with the proposed combinations between action types and report types? What other aspects need to be considered? Please elaborate. [para 111-123]

1. Action types:
The ICMA ERCC supports ESMA’s proposal to maintain an EMIR-aligned approach based on action types. We furthermore welcome ESMA’s proposal to limit the number of action types. As outlined in our response to ESMA’s list of preparatory questions ahead of this consultation, fewer action types would significantly simplify reporting and reduce the risk of matching errors due to reporting entities using different action types. In line with this thinking, we would question the need to distinguish the “modification of business terms” and “other modification”. In our view, a single action type for modifications would be sufficient and preferable. We also note that this approach would be in line with the EMIR reporting logic. Furthermore, we would remark that a single action type would allow firms to submit a single daily update report per SFT, which would significantly reduce the reporting burden for firms. In the case of several action types, it might not always be clear which action type to use if the changes fall under different action types.

If ESMA insists on two distinct action types for modifications we would recommend that the action type ‘modification of business terms’ might be better labelled ‘material modification of initial economic terms’ to avoid ambiguity.

Regarding other action types, we understand that the ‘cancellation’ action type would be used to delete erroneously created UTIs and would thus correspond to the ‘error’ action type in EMIR. We would like to point out that table 2 on page 43 of the CP refers to this action type as ‘error’ instead of ‘cancellation’. The terminology needs to be aligned.

In this context, we would also reiterate the need to ensure consistency with global initiatives, in particular CPMI-IOSCO’s ongoing work on other OTC derivatives data elements. It would be extremely important to align data elements and reporting logic between the different initiatives. In any case, ESMA should be aware that the necessary business practices do not currently exist and will thus have to be agreed and implemented first. The related challenges and timeline should not be underestimated.
2. Report types:

As pointed out in our response to ESMA’s DP, the ICMA ERCC does not believe that separate reporting schemas are needed for repo and buy/sell-back trades. We note and welcome the adjustments made by ESMA to align terminology and reporting fields used in relation to repos and buy/sell-back trades. However, as explained previously, we insist that repo and buy/sell-backs are economically equivalent instruments and that any distinction would increase the complexity of reporting and institute an artificial segmentation of the repo market. We would like to refer ESMA to the attached Excel table which contains concrete proposals on how to further align fields and reporting logic for repo and buy/sell-backs.

From the table of data fields it would appear that the main reason why ESMA proposes that repurchase agreements and buy/sell-backs need to be distinguished is the assumption that buy/sell-backs are quoted exclusively in terms of the forward price and only repurchase agreements are quoted in terms of the repo rate. However, we would like to point out that buy/sell-backs can be quoted either way, so the repo rate should not be an exclusive property.

Moreover, it can be seen from the detailed analysis that, where the schedules for buy/sell-backs and repurchase agreements differ, it is largely because the table includes duplicate fields, which have simply been reallocated to a different subsection. These fields have different names, although the content is identical. In other words, this creates an artificial distinction between the two types of repo. All fields should be fully aligned in a combined transaction schedule. A single additional reporting field would be sufficient to distinguish buy/sell-back and repurchase transactions. In addition, a ‘forward price’ field could be maintained in order to allow reporters the choice of reporting either that or the repo rate.

In this context, we would like to highlight some important concerns with the definitions of buy/sell-backs and repurchase transactions as included in article 3 of the level 1 text:

- The primary issue with the level 1 definition is that a buy/sell-back is defined as undocumented: “such buy-sell back or sell-buy back transactions not being governed by a repurchase agreement or by a reverse repurchase agreement within the meaning of point (9);” However, it is important to stress that most buy/sell-back trades are documented under the GMRA. The SFTR definition would thus seem to indicate that the reporting provisions only apply to undocumented buy/sell-backs, although such trades in practice simply consist of two cash trades, one spot and the other forward, and are likely not seen as an SFT at all.
- We also note that despite defining repurchase agreements as documented and buy/sell-backs as undocumented, the proposed reporting fields include three documentation questions in the buy/sell-back reporting schema. The reporting field ‘method used to provide collateral’ is also contrary to the Level 1 definition.
- Furthermore, the definition of ‘buy/sell-back’ states that collateral is bought or sold. For a repurchase transaction, collateral is said to be transferred. It is unhelpful for it to be suggested that repurchase transactions involve a method of conveyance other than transfer of title. The definition may increase recharacterisation risk in some jurisdictions, as it could be implied that repurchase transactions are pledges.
- The definitions for both repurchase transaction and buy/sell-back list as collateral “securities, commodities or guaranteed rights”. It is however not clear to us what is meant by ‘guaranteed rights’. In the case of repurchase transactions, the definition of ‘guaranteed rights’ is expanded to ‘guaranteed rights relating to title to securities or commodities where that guarantee is issued by a recognised exchange which holds the rights to the securities or commodities’. Again, we would like to seek further clarification from ESMA or the Commission what precisely is meant here.
- It is also not clear to us why collateral is defined differently for buy/sell-backs and repurchase transactions. This would seem to suggest that the use of one type of repo as opposed to the other depends on the type of collateral, which is clearly not correct.
In our view, no definition of repo outside the US should include the word ‘pledge’. As pointed out above, this unnecessarily increases recharacterisation risk.

The definition of a repurchase transaction refers to the repurchase date as ‘a future date specified, or to be specified by the transferor’. While an open repo with a put option to the seller is conceivable, why include just this type? There is no provision for a standard open repo (where either buyer or seller can terminate).

Q12 The modifications of which data elements should be reported under action type “Modification of business terms”? Please justify your proposals. [para 111-123]

As pointed out in our response to Q11, we do not believe that a distinction between two different modification action types is necessary. A single action type would be simpler to implement and would avoid reporting inconsistencies linked purely to the use of different action types. If ESMA decides to maintain two distinct modification action types, there are some ambiguous cases where it is not clear which action type should be used. As an example, in the case of a re-rating of a floating-rate repo, would this be a ‘modification of initial economic terms’ or an ‘other modification’ or does the reporter not have to update recognised indices? We would appreciate if ESMA could clarify this point.

Q13 The modifications of which data elements should be reported under action type “Other modification”? Please justify your proposals. [para 111-123]

We note that table 2 (p.43) shows margin across SFT types as ‘other modification’. We understand that the reporting of variation margin in the separate report would be restricted to CCP-cleared SFTs. If this is the case, this should be clearly indicated in the table. However, as explained further below, there is also a case for a separate report for the margining of bilateral trades.

4.2.3 Direction of the trade (p.44)

Q14 Do you agree with the revised proposal to use the terms “collateral taker” and “collateral giver” for all types of SFTs? [para 124-131] [Annex VII, ITS, p.256, art.4]

Although we would maintain, in line with our response to the DP, that this field is not strictly needed and that it would otherwise be more consistent to use SFT specific terms, we also note that the use of the proposed terms should be relatively straightforward to implement in the case of repo. In that case, we would however strongly recommend that the description of this field clearly references the appropriate business terms applicable to each type of SFT (i.e. buyer/seller in the case of repo) in order to ensure consistent reporting.

Q15 Are the proposed rules for determination of the collateral taker and collateral giver clear and comprehensive? [para 124-131]

See our response to Q14.

4.2.4 Trade scenarios (p.45)

Reposcenario

1. Bilateral:

Q16 Are you aware of any other bilateral repo trade scenario? Are there any other actors missing which are not a broker or counterparty? Please elaborate. [para 133-138]

As pointed out in our response to Q6, repo scenario 2 should not be referred to as a broking scenario. More accurately this can be described as trading, or even market-making. Broking is only a meaningful term where the broker is a pure agent. As regards ESMA’s statement in paragraph 137 that scenario 2 also covers “matched principal brokers”, we would like to point out that we are not aware that this concept
exists for repo. UCITS/AIF managers are agents and should be identified as such. It will give a false impression of exposures and inflate leverage if agents start to be identified as principals.

We wonder whether there is a need to also represent a bilateral repo scenario without broker intervention. This could for instance be the case where two counterparties conclude a trade electronically on a platform that does not act as broker/agent. For instance, we understand, that the relevant repo platforms list instruments that can be traded as bilateral ("request for quote" basis). The counterparties to the trade find out who each other is at the time of the trade being executed, without the platform acting as broker.

**Q17 Do you consider that the above scenarios also accurately capture the conclusion of buy/sell-back and sell/buy back trades? If not, what additional aspect should be included? Please elaborate. [para 133-138]**

Yes. As explained in our response to Q11, buy/sell-back and repo trades are economically equivalent instruments that only differ in some operational aspects which are not relevant from a reporting perspective. The same trading scenarios apply.

2. CCP-cleared:

**Q18 Are the most relevant ways to conclude a repo trade covered by the above scenarios? Are the assumptions correct? Please elaborate. [para 139-151]**

Most importantly, we would like to reiterate an important point that we already highlighted in our response to ESMA’s DP but which has not been addressed in the CP. In the description of repo scenario 3, ESMA states that a bilateral trade which is subsequently submitted to a CCP (post-trade name give-up) should first be reported as a bilateral trade. We do not agree with this proposal and would point ESMA to a recent ICMA ERCC study in relation to CCP trade registration published in September 2016. The paper aims to formally establish an already existing understanding in the market that bilateral trades which are concluded with the intention of CCP-clearing are always contingent upon the CCP accepting the trade for clearing. In the extremely rare cases where such trades are not submitted to the CCP (or not accepted by the CCP) there is thus no original bilateral trade. ESMA should allow such CCP-contingent trades to be recorded only once, as a CCP trade. We do not believe that it is justified from a risk perspective to distinguish such bilateral trades intended for CCP-clearing from CCP-cleared trades executed electronically, given that in both cases the validity is dependent on the clearing taking place. Finally, we note that the proposed approach would also be in line with ESMA’s proposals in relation to reconciliation, specifically the proposal in paragraph 354 that “the TRs reconcile only the latest state of a given SFT at the end of a given day”.

As described in our response to ESMA’s DP, we would point out once again that the agency clearing model for repo (scenario 5) is purely hypothetical. It is also unlikely to be established in the future, as no CCP would want to take an exposure to a non-member, with whom it has no contractual relationship, and no CCP membership would accept exposure to non-members given their commitment to mutualisation. Should a clearing member sponsor a customer, the clearing member takes the exposure, making this model identical economically to the current clearing model.

Regarding ESMA’s proposal in relation to the reporting of collateral market value in paragraph 151, we would remark that this will pose significant challenges in terms of matching. There is no common methodology to establish the market value of securities and mismatches are thus difficult to avoid. As stated in our response to Q80, we would thus recommend to remove the field from the proposed list of reconciliation fields in

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the table on pages 124-126 of the CP. We understand that this would be consistent with the EMIR framework where the collateral value is not a required matching field. If ESMA insists on reconciliation for this field, at the very least it needs to be ensured that the calculated tolerance is sufficiently large to avoid consistent matching fails.

In this context, we are particularly concerned about ESMA’s proposal in paragraph 247 to require the use of IFRS 13 Fair Value Measurement. We note that this proposal follows a similar proposal in ESMA’s final report on the review of RTS and ITS under EMIR article 9. However, we would like to stress that this has not been formally consulted on previously. In our view, the imposition of IFRS13 for reporting purposes is inappropriate and should be removed for the following reasons:

- First and foremost, IFRS (IAS) is an accounting standard and not a reporting standard. The relevant teams involved in the reporting process will have little or no experience in applying any accounting standards, and would thus face significant implementation challenges. Collateral valuation is currently conducted under each firm’s bilateral terms of business and trading agreements (GMRA, GMSLA, EMA etc). Moreover, in its current form IFRS 13 is not suitable for reporting purposes. This would require lengthy and unjustifiable modifications to IFRS 13. Examples include the necessary implementation of daily CVA- and DVA-adjustments, as well as the integration of the FVA-valuation in the CVA- and DVA-calculation.

- The use of IFRS 13 would not avoid deviations in the reported market value, which are mainly the result of the use of different market data sources. Even where the same source is used, differences could also arise as a result of differences in the time that the data is received/extracted. Moreover, the calculation of CVA, DVA and FVA is based on the financial institution’s internal assessments of the counterparty’s creditworthiness, which would also inevitably lead to mismatches in the reported values.

- Finally, we understand that at least in some Member States only accounts of listed companies have to be drawn up according to IFRS 13. ESMA’s proposal to impose IFRS 13 for reporting purposes is thus clearly disproportionate, in particular for those non-listed banks that are otherwise not required to use the standard. A particularly relevant example is Germany, where a vast majority of banking institutions are credit cooperatives, small savings banks, public banks or alike, and, thus, not listed companies; their accounts do not need to comply with IFRS 13.

Securities lending scenarios

Q19 Are the most relevant ways to conclude a securities lending trade covered by the above scenarios? Are the assumptions correct? Please elaborate.

Q20 Would it be possible to link the 8 trade reports to constitute the “principal clearing model” picture? If yes, would the method for linking proposed in section 4.3.4 be suitable?

Q21 In the case of securities lending transactions are there any other actors missing?

Q22 What potential issues do reporting counterparties face regarding the reporting of the market value of the securities on loan or borrowed?
<table>
<thead>
<tr>
<th><strong>Unsecured securities or commodities lending/borrowing</strong></th>
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<tbody>
<tr>
<td><strong>Q23</strong> Do you agree with the proposal with regards to reporting of uncollateralised SFTs? Please elaborate.</td>
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<tr>
<th><strong>SFTs involving commodities</strong></th>
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<tr>
<td><strong>Q24</strong> Do you agree with the proposal with regards to reporting of SFTs involving commodities? Please elaborate.</td>
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<th><strong>Margin lending</strong></th>
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<tr>
<td><strong>Q25</strong> Are there any obstacles to daily position reporting by margin lending counterparties? Do prime brokers provide information to their clients about intraday margin loans?</td>
</tr>
<tr>
<td><strong>Q26</strong> Which kinds of guarantees or indemnifications exist in relationship to prime brokerage margin lending? Are there other parties possibly involved in a margin loan? Please provide an example.</td>
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<tr>
<td><strong>Q27</strong> What types of loans or activities, other than prime brokerage margin lending, would be captured in the scope of margin lending under the SFTR definition? Please provide details on their nature, their objective(s), the execution and settlement, the parties involved, the existing reporting regimes that these may already be subject to, as well as any other information that you deem relevant for the purpose of reporting.</td>
</tr>
<tr>
<td><strong>Q28</strong> Are there any obstacles to the collection of data on the amount of margin financing available and outstanding margin balance? Are there any alternatives to collect data on “Free credit balances”, as required by the FSB? Please provide an example.</td>
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<tr>
<td><strong>Q29</strong> Are there any obstacles to the reporting of (positive or negative) cash balances in the context of margin lending?</td>
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<tr>
<td><strong>Q30</strong> Are data elements on margin financing available and outstanding balances relevant for margin loans outside the prime brokerage context? Please provide examples.</td>
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<tr>
<td><strong>Q31</strong> Is the short market value reported to clients at the end of the day part of the position snapshot? What is the typical format and level of granularity included in the information communicated to clients?</td>
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<tr>
<td><strong>Q32</strong> Is the data element on short market value relevant for margin loans outside the prime brokerage context? Please provide examples.</td>
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<td>4.3 Content and structure of the SFT report</td>
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<td>4.3.1 Structure of the report (p.64)</td>
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Q37 Is Tri-party agent expected to be the same for both counterparties in all cases? If not, please specify in which circumstances it can be different. [see Excel file]

Usually yes, but this is not necessarily the case where interoperability arrangements exist between tri-party agents. We note that there are ongoing initiatives by the relevant providers to develop interoperable solutions which may gain further traction in the future.

More generally, it needs to be carefully considered whether the current framework caters sufficiently for the reporting of tri-party trades. As further explained in our response to Q54, our members are concerned that there are some instances where it is not clear how the proposals can be applied. It is important to note that in the case of tri-party repo all collateral management activities are fully outsourced to the tri-party agent, which makes these trades very distinct from other repos. Further guidance is thus needed for tri-party repo, which might include a separate reporting template for this activity.

Q38 Do you agree with the proposed fields included in the attached Excel document? Please provide your comments in the specified column. [see Excel file]

See detailed comments in the attached Excel table.

In the table on collateral and loan data in particular, we highlighted a number of proposed fields that appear to be duplicates. The field names differ across SFT types despite the common format. We strongly encourage ESMA to use common names and reduce the number of required fields where possible. It is not clear why ESMA insists on the need for a common term to indicate the direction of the trade while proposing unnecessary instrument-specific terms here.

4.3.2 Branches (p.66)  Q39 Do you agree with the proposal to identify the country of the branches with ISO country codes? [para 199-206]

In line with our comments in response to the DP, we maintain our preference for the use of LEI codes for branches once available. As also stated previously, if this is not available by the time SFTR reporting starts and if ESMA wants to insist on the identification of branches, we agree that ISO country codes would be an acceptable alternative which is moreover aligned with reporting requirements under EMIR and MiFIDII/R.

4.3.3 Beneficiary (p.69)  Q40 Do you agree with the proposed approach with regards to the reporting of information on beneficiaries? If not, what other aspects need to be considered? Please elaborate. [para 210-214]

We generally agree with the proposed approach, but note that the concept of beneficiary is of limited applicability for repo.

4.3.4 Linking of SFTs (p.70)  Q41 Would exempting CCPs from reporting the Report Tracking Number field reduce the reporting burden on the industry. [para 215-231]

We agree with ESMA’s proposal not to require CCPs to report a Report Tracking Number which they would need to obtain from clearing members. This would clearly be an unnecessary and costly requirement. More generally though, we would like to remark that the section on the linking of transactions seems to be based on a fundamental misconception about CCP-clearing of SFTs as it appears to be based on the assumption that there is or is likely to be a client-clearing model in SFTs that works in the same way as client-clearing in derivatives. In Europe, client-clearing of derivatives is a principal model, while in the US it is an agency model. However, although the legal relationships and the contractual framework underpinning the
agency and principal models are different, both models are, in practice, broadly similar in terms of the relevant participants’ rights and obligations. Two clients trade with each other and then give up the trades to clearing members, who clear with the CCP. This model does not currently exist for repo and there does not appear to be any prospect of it being adopted. It seems disproportionate to attempt at this stage to introduce a complex process to link SFTs just to future-proof the SFTR for a clearing model that will very likely not be implemented.

We also reiterate our concerns in relation to the duplicate reporting of bilateral trades intended for CCP-clearing. These trades are usually submitted to the CCP immediately and should not be required to be reported separately as bilateral trades for the reasons set out in our response to Q18. As mentioned, this would also be in line with ESMA’s proposals in paragraph 354. As a result, a prior UTI would not be needed in these cases. Only in the exceptional case where such trades are not submitted to the CCP on trade date, it could make sense to require a separate report and this applies equally to trades executed electronically and those executed bilaterally. We assume that in those rare cases a UTI (or report tracking number issued by the trading venue) could be provided by the counterparties which would allow to link the initial trade report to the trade submitted to the CCP. Although we would also point out that from a financial stability perspective the rationale for such linking is very weak given that this scenario is rare, as an overwhelming majority of CCP-cleared repo trades are executed electronically (around 95%, according to ICMA’s latest Repo Market Survey).

Q42 Could you please provide information on incremental costs of implementing the proposal, taking into account that systems will have to be changed to implement the SFTR reporting regime in general? [para 215-231]

Q43 Could you please provide views on whether you would prefer Alternative 1 (prior-UTI) over Alternative 2 (relative referencing solution)? Please provide relative costs of implementing both proposals. [para 232-236]

Q44 Do you agree with the above rules for determining the entity responsible for the generation and transmission of the UTI? If not what other aspects should be taken into account? Please elaborate. [para 237-238] [Annex VII, ITS, p.255, art.3]

We welcome ESMA’s intention to learn the lessons from EMIR experience and to provide clear and detailed guidance in relation to the generation of UTIs. In the absence of a globally standardised UTI, the flow chart set out on page 80 of the CP seems sensible and aligned with the guidance developed under EMIR. We would however also insist on the importance of CPMI-IOSCO’s ongoing work on a globally consistent UTI solution. Once this work is finalised, it will be important for EU authorities to adjust EU regulation accordingly to ensure full alignment with global standards, as ESMA seems to indicate in paragraph 224.
### 4.3.6 Collateral reporting and reporting of collateral re-use (p.81)

#### SFT margining

**Q45 Do you agree with the logic and framework for reporting of margins for CCP-cleared SFTs? What other aspects should be taken into account? Please elaborate.** [para 239-245]

The ICMA ERCC agrees with ESMA that the margining process in the case of CCP-cleared SFTs differs from the bilateral scenario, as we highlighted in our responses to ESMA’s questions ahead of this consultation. It therefore makes sense to collect information on margining of CCP-cleared SFTs in a separate report.

In line with our general comments above, we would however also reiterate that it would be far more efficient if this information was collected directly from CCPs, given that it is the CCP that determines the relevant margining flows. Considering that margining information is not mentioned as a core reporting element in the relevant Level 1 provision (article 4(9)), it would appear possible and indeed much more sensible to adopt a single-sided reporting approach for these elements. This would reduce the implementation challenges and costs and would result in an improved level of data quality. Such an approach would also be clearly preferable given that CCP-margining is not limited to SFTs, as ESMA rightly states in paragraph 241, but can cover a wide range of trades including derivatives.

While we acknowledge that the proposals set out by ESMA in relation to the margining of CCP-cleared trades are in line with the EMIR framework, this needs to be considered in the context of the clearing obligation under EMIR. Again, we would point to our general comments above and the important differences between SFT and derivatives markets which need to be reflected in the respective reporting regimes, while maintaining consistency where appropriate.

#### Collateral reporting

**Q46 Would you agree with the definition of terms? If not, please explain.** [para 248]

Whilst we generally agree with the high level definitions set out in paragraph 248, it would be important to be more specific as to the precise meaning of the three terms to avoid any confusion. We would thus like to clarify the following:

**Collateral pool** — This is a collection of several securities placed in the custody of a central bank or a custodian, and available for delivery or pledge in order to collateralise subsequent SFTs. The securities in the pool can be substituted. In terms of examples, Eurex uses this structure for their GC Pooling product, as do other tri-party agents and central banks.

**Collateral basket** — This generally refers to a pre-agreed list of all security issues or types of security that are eligible to deliver or pledge in order to collateralise an SFT or portfolio of SFTs. In practice, this term is also often used to describe a collection of several securities delivered in order to collateralise an SFT. However, the two concepts should not be confused. The latter should more consistently be referred to as 'multiple collateral delivery'.

A "collateral pool" can be a subset of a "collateral basket" in that what is pre-deposited as a pool will typically not be all the securities that are eligible as collateral (i.e. the "collateral basket"). The pool is an allocation from what the seller actually has in his account on the day. For example, the Eurex GCPooling product mentioned above has about 7,000-8,000 securities in its ECB-eligible basket but users would typically put significantly fewer securities into their pool.
Collateral schedule — This is a synonym for collateral basket used in securities lending and triparty repo.

It is important for ESMA to apply the three terms in a consistent way throughout the relevant draft RTS and ITS (including the relevant data fields). We note that the terms “collateral pool” and “collateral basket” appear to be used interchangeably in some sections. An example is field 91 in the loan and collateral data template which asks for a ‘collateral basket identifier’, while the heading restricts the use of this field to the case of ‘collateral pools’. It is also important to specify the remit of the terms above, i.e. that they apply to transactions and not to the separate margining process.

On collateral reporting more generally, we would like to reiterate our concerns in relation to ESMA’s proposal in paragraph 247 to require the use of IFRS 13 Fair Value measurement to determine collateral market value. As explained in more detail in our response to Q18, the imposition of this standard is inappropriate in this context and would cause significant implementation challenges.

Trade based collateral allocation

Q47 Are the cases for which collateral can be reported on trade level accurately described? If not, please explain. [para 249-251]

The descriptions are generally accurate. It is very important to clearly distinguish in this context between collateralisation in relation to the initial sale and delivery, which in the case of repo is generally on a trade level basis, and the separate process for exchanging variation margin, which is usually done on a net exposure basis for all types of repo. It would be helpful to clearly distinguish the two processes and not to refer to the latter as collateralisation.

Q48 In addition to the exceptions listed above, when would the collateral for a repo trade that does not involve a collateral basket not be known by the reporting deadline of end of T+1? [para 249-251] [Annex VII, ITS, p.257, art.5]

For bilateral repos not based on a collateral basket, the allocation of collateral should generally be available at the end of trade date. However, the collateral allocation will not be known in the case of most, if not all, agent managed products, whether they are based on a collateral pool (typical tri-party repo) or on a collateral basket (e.g. CREST’s DBV product).

Where reporting of collateral information on T+1 is not possible, the reporting timeline needs to be clear and sufficiently flexible to capture all cases. We were disappointed to see that ESMA’s initial proposal to require reporting of collateral information as soon as possible and by VD+1 at the latest was subsequently changed to VD at the latest. We would strongly recommend to reinstate the VD+1 reporting deadline. If ESMA insists on an earlier deadline, this data is in many cases unlikely to be consistent between counterparties, reconciled or validated by firms prior to reporting. Many collateral related information and calculations, in particular in the case of SFTs concluded with counterparties in other time zones, will only be available outside of normal working hours on VD. As a result, providing this information on VD would require fully automated solutions and would leave no room for any human intervention. The result would be poorly reconciled and often inaccurate data. In our view, a deadline of VD+1 would essentially follow the same logic as the general reporting deadline on T+1.

In relation to table 8 (p.87-88), we would like to point out the following:

- The trade type ‘repos not involving collateral basket’ in row 1 should not include triparty repo, as all tri-party repo involves a collateral basket. As mentioned above, it is important to use both terms in a consistent way.
- It is possible that some parties agree on a basket bilaterally when they set up their GMRA but this would not stop them from expanding the basket on an informal ad
hoc basis by mutual agreement (the basket is a guide only), so the meaning of collateral basket is different from that in triparty, where the basket can only be expanded or otherwise changes by formal permanent renegotiation.

- For the trade type 'repo trade involving collateral basket' (row 2), the collateral basket is almost certainly known before trading, even if the collateral pool is not. As mentioned above, the specific collateral allocation may not be known until VD+1, as for repo trades not involving collateral baskets. Hence the need to apply a consistent reporting deadline of VD+1.

Q49 Could the counterparties to a CCP-cleared cash rebate securities lending trade report an estimated value for the cash collateral in the markets in which the CCP calculates the initial cash value on the intended settlement date? If not, please explain. [para 249-251]

Collateral allocation based on net exposure

Q50 Are the cases for which collateral would be reported on the basis of the net exposure accurately described? If not, please explain. [para 252-253]

Again, it would be helpful if ESMA could more clearly distinguish for bilateral trades between collateral allocation for the initial sale and delivery and the separate process for exchanging variation margin. Considering the latter, the cases listed in paragraph 252 are generally correct. However, we would like to clarify the following:

- Para 252(b): This is correct if ESMA refers to the exchange of variation margin and if open repo refers to open positions in all types of repo, not only “open repo” in the sense of repo trades without fixed maturity date.
- Para 252(d): ESMA correctly states that CCP-cleared SFTs are not included in the calculation of bilateral net exposure. It is important to note that these trades are concluded under the CCP Rules and not under bilateral agreements like the GMRA.

Q51 Is the understanding of ESMA correct that CCP-cleared trades are excluded from the calculation of net exposures between two counterparties? If not, please explain. [para 252-253]

Yes, ESMA’s interpretation is correct. See our response to Q50.

Q52 Is the assumption correct that the counterparties can report the assets available for collateralisation in the collateral portfolio for margin lending with the balance of the outstanding loan? If not, please explain. [para 254]

Collateral reporting elements

Q53 Are you aware of any scenarios that would require at the end of day the reporting of cash not only as principal amount, but also as cash collateral for repos? If yes, please describe. [para 256]

1. Cash collateral element:

Generally, we would like to highlight that the GMRA allows for the use of both securities and cash collateral for repo trades so the possibility to report cash collateral should exist for repos as well.

As an example for the use of cash collateral, in a bilateral scenario counterparties may wish to temporarily substitute securities collateral by cash where they want to avoid terminating an existing open trade. Furthermore, in a tri-party context, as explained in our responses to ESMA ahead of this consultation, we understand that firms provide triparty agents with contractual rights to access their cash and securities accounts. If the triparty agent experiences a shortfall in eligible collateral, tri-party agents are
permitted to substitute that collateral with cash, provided as a short-term loan to the
seller. For more details on the latter case, the relevant tri-party agents will be able to
provide further explanations on their specific service offering and business practices.

Finally, cash collateral would also be relevant for the reporting of variation margin in a
bilateral (non-CCP cleared) repo scenario, which often involves securities and cash. If
ESMA maintains its proposal to report variation margin through collateral updates (on
a net exposure basis), this would thus also require provisioning for a cash collateral
element for repo. As further explained e.g. in our response to Q35 we believe that
defining a separate report for the margining of bilateral trades would be more
appropriate.

2. Securities collateral element:
As repeatedly stressed in our response to ESMA’s DP and outlined in the general
comments above, we would like to reiterate the importance of reducing the number of
reporting fields wherever this is possible to design a practical reporting regime. The
securities collateral element is a good example where at least some of the proposed
data fields could be easily derived from static data, particularly the ISIN code which will
be provided by reporting parties. ESMA acknowledges in paragraph 260 that all
respondents have stated that the proposed collateral information is too extensive. We
urge ESMA to take this feedback into account when finalising the proposals on the
required data fields. In particular, we note that the level 1 text does not preclude that
some reported items can be implied from other reported items or from centralised data
sources. With reference to ESMA’s statement in paragraph 260 that the level 1 text
“requires the reporting of individual assets, their type, quality and value”, we would like
to remark that this also does not prevent ESMA from deriving more specific
information related to the security collateral, including for instance the jurisdiction of
the issuer.

If ESMA insists on maintaining the proposed fields, it should at least be ensured that
these are not required for reconciliation as this will likely lead to matching errors.
Again, we would like to refer ESMA to the attached Excel template for more detailed
comments on the individual fields.

Reporting and linking of trade and collateral data

Q54 Would you foresee any specific challenges in implementing the proposed
logic for linking? If yes, please explain. [para 265-280]

1. Trade based collateral allocation:
The proposed algorithm for linking loan and collateral data seems generally feasible,
although this obviously depends critically on the implementation of a consistent
method to generate and communicate UTIs. We note from examples 4.1 and 4.2 that
the basket identifier/ISIN only needs to be provided where the specific collateral is not
available on T+1, which makes sense.

2. Collateralisation based on net exposure:
We fully support ESMA’s proposal to use LEIs and master agreements as a basis to
link trades and collateral. As highlighted in our response to ESMA’s DP, we believe
this is sufficient in all cases.

Regarding collateral updates, we would like to ask ESMA to clarify how this is exactly
intended to work. Is it the intention to require counterparties to report a daily update on
the new full collateral position or are counterparties required to report only the delta (ie
the change of the position compared with the previous day)? From the perspective of
the reporting party it seems significantly easier to report the updated full position.
We understand from ESMA’s explanations that the algorithm on page 101 intends to cover both collateral updates resulting e.g. from collateral substitutions and those resulting from the daily exchange of variation margin. We would recommend to separate the two processes and to represent the exchange of variation margin separately. As further explained e.g. in our response to Q35, we believe this would provide a clearer picture for both reporting parties and regulators.

Finally, it is not fully clear to us how the described process can apply to the reporting of tri-party trades. We would welcome clear guidance from ESMA on this process. We do expect this to be a huge challenge for reporting firms, given the sheer volume of data and the fact that firms will have to rely entirely on reports from tri-party agents. We would like to reiterate that this data could be far more efficiently collected directly from tri-party agents as these have direct access to the information. Not only would such a regime be far less costly, it would also lead to important improvements in data quality and timeliness.

Q55 In which case would counterparties need to provide a bilaterally agreed unique code to for linking trades to collateral? If yes, please explain. [para 265-280]

A bilaterally agreed code could be needed in case of fully bespoke bilateral agreements, although we understand that this is relatively rare. We do not think that there is a need for a bilaterally agreed code in the case of the adoption of new market wide master agreements as suggested by ESMA in paragraph 279. While this is a rare occasion anyway, there is usually a long consultation and transition period before such agreements are actually used so this should give ESMA and the relevant NCAs sufficient time to update the code list in the reporting template.

Q56 Is there a case where more than one bespoke bilateral agreement is concluded between two counterparties? [para 265-280]

It is possible for two counterparties to conclude more than one bespoke agreement, in particular across SFT types, i.e. one bespoke agreement per SFT type. However, as further explained in our response to Q57, we understand that it is unlikely that there is more than one bespoke agreement per type of SFT.

Q57 Is it possible, for a pair of counterparties to have more than one master agreement or more than one bespoke agreement per SFT type? In these cases, please specify, how these agreements are identified between the counterparties? Please provide examples. [para 265-280]

While again possible for two counterparties to negotiate and use two bespoke agreements for a single SFT type, we think this is very unlikely. As regards master agreements or a combination of a master agreement and a bespoke agreement, this seems to be more likely, particularly in the case where jurisdiction specific market agreements are used or where a bespoke agreement covers a specific product.

Margin lending

Q58 How costly would it be for your firm to report individual securities? If possible, please provide a quantitative estimation of the costs.

Q59 Would the reporting of outstanding balances by asset class facilitate reporting? How costly would it be for your firm to develop and implement such a reporting? If possible, please provide a quantitative estimation.

Q60 Are there other obstacles to collecting position-level data on funding sources for each prime broker? If this is the case, please provide an example, and whether there is a viable alternative.
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<th>Question</th>
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<tr>
<td>Q61 What type of information or guidance would be required in order for funding sources to be reported consistently across all reporting counterparties?</td>
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<tr>
<td>Q62 Can data elements on funding sources be reported for margin loans outside the prime brokerage context? Please provide examples.</td>
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<tr>
<td>Q63 How are portfolio leverage ratios calculated? Please provide an example of the formulas typically used.</td>
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</table>
**Collateral re-use**

Reporting of collateral re-use [para 291-307]

**Q64 What are the potential costs of providing the re-use data as outlined in this section? Are there other options to link collateral that is re-used to a given SFT or counterparty? Please document the potential issues. Please elaborate.**

We agree with ESMA’s analysis regarding the general fungibility of securities and the impracticality of identifying re-use at the level of individual SFTs. We continue to think that the tracking of re-use is a problematic element of the SFTR and we would refer ESMA to our response to ESMA’s DP as well as to our detailed response to the FSB on reuse for a more detailed account of our general concerns in relation to the tracking of re-use.

In relation to the concrete proposals in the CP, we strongly support ESMA’s intention to follow closely the work of the FSB and would like to stress again that the evolution of those global standards should be taken fully into account. As regards the proposed formula more specifically, and as pointed out in our response to the related FSB consultation (annexed to our response to ESMA’s DP), we consider that the use of this approach gives rise to an arbitrary measurement of reuse. As such it is important that great care is taken in drawing any conclusions from the reporting of reuse on such a basis, since there is a significant risk that these are inappropriate.

Regarding the rationale for the collection of reuse information set out by ESMA in para 289, we would like to point out that asset encumbrance risk is already monitored separately by the EBA and is thus not relevant in the context of reuse. Moreover, we do not agree with ESMA’s statement that the monitoring of reuse would help assessing interconnectedness, as SFTs based on title transfer create separate exposures, not chains of exposures.

Regarding the concrete data fields in relation to reuse set out in the Excel table, we would welcome clarification from ESMA as to the meaning of “N/A” in this context. Is our understanding correct that, in line with art.4(1) of the draft RTS (Annex VIII), the reuse reporting fields (with the exception of field 8) are only required where the collateral can be distinguished from other assets? In all other cases, we understand that, besides the generally applicable fields, only field 8 (estimated reuse of collateral) would have to be reported. ESMA should clearly indicate which fields are required. We also suggest to remove field 84 (Collateral re-use) from the Loan & Collateral data table as this seems redundant given the separate re-use report.

Finally, as regards the definition of re-use set out in paragraph 290, it is not clear to us how a counterparty can re-use received collateral “on the account of another counterparty”. It would be helpful if ESMA (or the Commission, given that this is stated in the level 1 text) could elaborate on this point.

**Q65 Would it be easier to report collateral re-use in a separate message as proposed or, it will be better repeating the information as part of the counterparty data?**

Reporting of collateral re-use for SFTs should be separate because it is based on aggregated data. We would expect that this would have to be reported as a single point in time snapshot, but would welcome confirmation by ESMA on the details of re-use reporting. We note that anything other than a snapshot would significantly increase implementation costs.

**Q66 Would the effort of reporting re-use on a weekly or monthly basis reduce significantly the costs?**
Yes. Monthly reporting would significantly reduce the ongoing operational costs. While the reporting of re-use remains generally problematic and very costly to implement, with a similarly high set-up cost regardless of the reporting periodicity, we strongly support the proposal to collect re-use information on a monthly basis and note that this would be in line with the FSB proposals. Not only would daily reporting add significant costs but it is in our view also unnecessary from a supervisory perspective. The systemic risks which re-use is intended to help monitor are not fast-changing, as the FSB and ESRB have both clearly recognised. Monthly reporting should therefore be adequate and would also be more suited to the proposed estimation method for re-use (ie the formula set out in paragraph 304). We would also point out that ESMA’s proposal in para 306 to update the reuse estimate each time it changes would be clearly disproportionate as this would, due to the proposed formula, require updating the figure with every trade concluded, whether SFT or cash trade. Naturally, this would not seem to be applicable in the case of monthly reporting based on a single snapshot.

For more detailed cost estimates, we would refer ESMA to the figures provided by those of our member firms who contributed directly to the cost-benefit analysis undertaken by the external consultancy mandated by ESMA. We understand from our members, that daily re-use reporting would require daily reconciliation, validation and controls to be deployed. This would involve at least one full time employee to implement and cost at least $100,000 per firm per annum. This figure would be roughly the same across member firms, irrespective of their size and would thus need to be multiplied by the total number of firms in the scope of SFTR. If re-use reporting was required once a month in a single point in time snapshot then we would anticipate that this function could probably be carried out by 1/10th of a headcount at a cost of $10,000 per year at a minimum. However, if it were a once a month report of re-use for every day then this would provide little saving over daily reporting on the basis that the reconciliations and remediation would still be required on a daily basis.

**Q67 Are there cash re-investment programmes for agent lenders acting as principal?**

**Q68 Do you agree that the term type and the way maturity is measured (e.g. weighted average maturity) are appropriate elements for the purpose of monitoring potential liquidity risks from maturity mismatch between the securities loan and the reinvestment of cash collateral? Are there other elements you believe ESMA should consider collecting? Do you see any obstacles to the reporting of these elements, or their analysis? Please explain.**

**Q69 What is the methodology your firm uses to compute the weighted-average life and maturity of cash collateral portfolios? Do you expect this methodology to vary significantly across firms?**

**Availability for re-use**

**Q70 Do you agree with the proposed approach? What other aspects need to be taken into account? Please elaborate. [para 308-311]**

We agree with ESMA’s statement in paragraph 308 that repo and securities lending trades under GMRA/GMSLA are generally TTCM and the collateral thereunder thus available for re-use. We therefore do not understand the conclusion reached in paragraph 310. It is not clear why an automated definition of re-usability would be complex for GMRA/GMSLA based trades. The fact that it cannot be assumed that margin lending agreements will allow for re-use does not justify, in our view, the inclusion of this field in the repo and securities lending reporting templates. Given that there are separate schemas for different types of SFTs a differentiation between those types of instruments should be straightforward.
In line with our general comments above, we would reiterate that any clearing-related information could be more efficiently collected directly from the CCPs through single-sided reporting.

In relation to para 316(a), we would also remark once again that an agency clearing model for SFTs does not currently exist and is not expected to exist in the future.

Finally, we would like to ask ESMA to clarify whether firms need to identify CCPs irrespective of whether these have been recognised by ESMA and meet ESMA’s definition of a CCP. This question has been raised in the context of EMIR and addressed in Q&As (see Q43). This should be clarified in the context of SFTR as well.

<table>
<thead>
<tr>
<th>4.3.8 Settlement data (p.114)</th>
<th>Q71 Do you agree with the proposed approach? Please elaborate. [para 317-324]</th>
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<tbody>
<tr>
<td></td>
<td>We welcome ESMA’s proposal to take into account the feedback provided by stakeholders and to significantly reduce the number of settlement related fields. Nevertheless, we continue to believe that a field to capture information about the ‘CSD participant or indirect participant’ is confusing and unlikely to add any value. This information is often not known to the reporting firm on trade date and is likely to lead to data inconsistencies, although we recognise that it is not proposed as matching field.</td>
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<td></td>
<td>If ESMA insists on a field to capture settlement related information, at least this needs relabelling, as the current name is ambiguous and will likely lead to confusion. In our response to ESMA’s DP, we suggested ‘settlement agent’ as a better alternative. Another alternative would be ‘intermediary acting on behalf of the reporting counterparty’ which we understand has been proposed to ESMA by ECSDA, the European CSD Association, and which we would support.</td>
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<tr>
<th>4.3.9 Master agreements (p.117)</th>
<th>Q72 Do you agree with the proposed approach with regards to reporting of master agreements? What other aspects need to be considered? Please elaborate. [para 325-330]</th>
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<td></td>
<td>Yes, we agree with the proposals. In particular, we welcome the proposed deletion of two fields related to master agreements, which as pointed out in our response to ESMA’s DP would have been particularly challenging to implement. While we understand why ESMA wants to collect information on the master agreements, we would also remark that the justifications provided in paragraph 324 are not convincing. Standardisation of the sort that affects liquidity takes place at the level of trading convention (325(a)), not legal agreement. And it is improbable that repo rates reflect particular master agreements (325(b)). Moreover, features such as optionality are specified at trade level, not in the legal agreement.</td>
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<tr>
<th>4.3.10 Method of trading (p.118)</th>
<th>Q73 Do you agree with the proposed approach with regards to reporting of method of trading? What other aspects need to be considered? Please elaborate. [para 331-333]</th>
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<tr>
<td></td>
<td>Yes, we agree with the deletion of the reporting field. There are no other aspects to consider. The identification of the trading venue should provide sufficient information.</td>
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<tr>
<th>4.3.11 Indemnification in the context of securities lending [NEW] (p.118)</th>
<th>Q74 In your view, what information on the nature of the indemnification (guarantee of the value, replacement of the securities, etc.), relevant for the monitoring of financial stability in relation to indemnifications could be reported? What type of data would be reported for each of the suggested elements reported e.g. values, percentages, other? Please elaborate. [para 334-336]</th>
</tr>
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</table>
## 5 Transparency and availability of data

### 5.1 Operational standards for data collection

#### 5.1.1 Validation of SFTs (p.120)

**Q75** Do you agree with the proposed structure of the validation rules? If not, what other aspects should be taken into account. Please elaborate.

We would like to ask ESMA to clarify the process according to which reporting parties are permissioned to undertake delegated reporting on behalf of other counterparties (see paragraph 343). ESMA should note that some reporting firms expect to be reporting on behalf of a very large number of SFT counterparties. The permission process thus needs to be as transparent and simple as possible to avoid undue administrative burden.

#### 5.1.2 Reconciliation of data (p.122)

**Q76** Do you agree with the proposed scope of the reconciliation process? If not, what other aspects should be taken into account. Please elaborate.

**Q77** Do you consider that the proposed framework for collateral reconciliation process should take place in parallel with the reconciliation of the loan data? If not, what other aspects should be taken into account. Please elaborate.

**Q78** Do you agree with the use of ISO 20022 for the purposes of ensuring common format and common encoding of files exchanged between TRs during the inter-TR reconciliation process? If not, what other common standard would you propose?

**Q79** Do you agree with standardising the timeline for finalisation of the inter-TR reconciliation process? Do you agree with the proposed timeline for finalisation of the inter-TR reconciliation process? If not, what would be a most appropriate timeline? What other aspects should be taken into account? Please elaborate.

**Q80** Do you agree with the fields proposed for reconciliation? Which other should be included, or which ones should be excluded? Please elaborate.

We strongly believe that the number of proposed reconciliation fields would have to be significantly reduced if the aim is to achieve meaningful matching rates post TR reconciliation. In our view, matching should be limited to those fields that have a clear economic relevance for the trade. In terms of concrete fields appropriate for matching, we would like to refer ESMA to ICMA’s standardised template for trade matching and affirmation which the ICMA ERCC Operations Group developed in close collaboration with the relevant vendors and published in December 2015. We consider that the mandatory matching fields in this template are the logical starting point for identifying which sub-set of fields should be matched and that any additions to this ought to be only in case shown to be clearly justifiable.

In relation to the matching of reports, it would be important to learn the lessons from EMIR implementation. In our view, it would make much more sense to start with a very limited number of reconciliation fields which can then be gradually increased as market practices are being established and the consistency of reported data improves accordingly.

One example is the proposed field on collateral market value. As explained in our response to Q18, this field should not be a reconciliation field given that this would almost certainly lead to matching fails. At a minimum, if ESMA insists on this field for reconciliation, the defined tolerance level needs to be substantially increased.

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Q81 Do you agree with the proposed tolerance levels? Which other tolerance levels would you suggest? Please elaborate.

In our view, many of the proposed tolerance levels would need to be increased substantially to achieve their purpose. This is particularly true for those fields without impact on the economics of the trade. In general, we do not think that the proposed very low levels would make any significant difference to matching rates. In addition, tolerance levels should be defined for more reconciliation fields. Similar to our comments on reconciliation fields, we would point out that tolerance levels could also be decreased over time as market practices stabilise.

While we have not included concrete proposals in relation to applicable tolerance levels in this response, due to the limited time available, the ICMA ERCC would be keen to further engage with ESMA following this consultation and to support ESMA in identifying appropriate reconciliation fields and tolerance levels. As pointed out above, these are critical elements to ensure the effectiveness of the reporting regime from the outset and sufficient time should be dedicated to calibrating these appropriately.

Q82 What other fields are suitable for establishing tolerance levels? What should be the tolerance level for those fields? Should the tolerance level be linearly or logarithmically related to the values? What other aspects should be taken into account? Please elaborate.

5.1.3 Common response on reporting (p.130)

Q83 Do you agree with the proposed logic for rejections messages? Do you agree with the proposed statuses of rejection messages? What other aspects should be taken into account? Please elaborate.

Q84 Do you agree with the proposed reconciliation statuses? What other aspects should be taken into account? Please elaborate.

As regards ESMA’s statement in paragraph 369 that the “TR should provide to the reporting counterparties or the entities acting on their behalf response messages describing whether the SFT is reconciled or not”, we would like to point out that it needs to be very clear who receives these reports. In the case of delegated reporting, it needs to be at least ensured that the party that reports on behalf of the reporting counterparty receives back the response message.

Q85 Do you agree with the proposed end-of-day response to reporting counterparties, report submitting entities and entities responsible for reporting? What other information should be included? What are the potential costs of this information? Please elaborate.

Q86 What other End-of-day reports can be provided to reporting counterparties, report submitting entities and entities responsible for reporting?

5.2 Public data (p.134)

Q87 Do you agree with the proposed aggregation criteria? What other aspects should be taken into account? Please elaborate. [para 382-389]

We would like to reiterate our comments submitted in response to ESMA’s DP, stressing the need for extreme care when defining data elements to be published in order to ensure that no commercially sensitive information is being made public. In our response to the DP we recommended that the data that the TR will be required to make public should provide as little granularity as possible, as it is currently the case under EMIR.

In relation to paragraph 383(e), we would recommend not to use the word ‘exchange’ in this context. Electronic trading is not done on exchanges. It would be more appropriate to refer to ‘trading venue’, in line with MiFIDII/R terminology.

Q88 Do you agree with the proposed technical aspects on aggregation of data? What other aspects should be taken into account? [para 382-389]
<table>
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<tr>
<th>Question</th>
<th>Details</th>
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<tbody>
<tr>
<td>Q89</td>
<td>Do you agree with the proposed timeline for keeping the data available on the website? Please elaborate. [para 382-389]</td>
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<tr>
<td>5.3 Data made available to authorities</td>
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<tr>
<td>5.3.1 Details of the SFTs to be provided to the authorities (p.136)</td>
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<tr>
<td>5.3.2 Additional fields to be generated by TRs (p.136)</td>
<td>Q90 At which point in time do you consider that the additional data elements regarding an SFT will be available for authorities? What are the potential costs of the inclusion of the above mentioned additional data elements? Please elaborate. Q91 What other data elements could be generated by the TRs and provided to authorities? Please elaborate. Q92 In case a preliminary reconciliation status report is provided, what elements it should include? Please elaborate.</td>
</tr>
<tr>
<td>5.3.3 Types of transaction-level reports to be provided to authorities (p.138)</td>
<td>Q93 Considering the proposed termination of the inter-TR reconciliation process at 18:00, when at the earliest can a TR submit the reconciled data to the authorities?</td>
</tr>
<tr>
<td>5.3.4 Types of position-level reports to be provided to authorities (p.139)</td>
<td>Q94 What is the optimal delay for provision of SFT position-level reports? What are the potential costs of the generation of above mentioned position reports? What other reports would you suggest to be provided by the TRs? Please elaborate. Q95 Do you consider that there should be one position report including both reconciled and non-reconciled data or that there should be two position reports, one containing only reconciled data and the other one containing only non-reconciled data? What are the potential costs of the separation of above mentioned position reports? What are the benefits of the separation above mentioned position reports? Please elaborate.</td>
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<tr>
<td>5.3.5 Types of standardised aggregated SFT reports for authorities (p.141)</td>
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<tr>
<td>5.4 Operational standards to aggregate and compare data across repositories</td>
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<tr>
<td>5.4.1 Avoidance of double counting (p.142)</td>
<td>Q97 Do you agree with the proposed approach to avoid double counting? If not, what other aspects should be taken into account. Please elaborate.</td>
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</tbody>
</table>
### 6 Data access levels [NEW]

#### 6.1 Background and general aspects

<table>
<thead>
<tr>
<th>6.1.1 General aspects of data access under EMIR and SFTR (p.146)</th>
<th>Q98 Do you agree with the proposed approach for single access per authority irrespective of the number of responsibilities and mandates it has? If not, what other aspects should be taken into account. Please elaborate.</th>
</tr>
</thead>
</table>
| 6.1.2 Clarifications and amendments to existing provisions under EMIR RTS on access levels and their application for the purposes of SFTR RTS on access levels (p.148) | Q99 Do you agree with the proposed way to establish transaction level access to data reported under EMIR? What are the costs of establishing such a level of access? Please elaborate.  
Q100 Do you agree with the proposed way to establish transaction level access to data reported under SFTR? What are the costs of establishing such a level of access? Please elaborate.  
Q101 Do you agree with the proposed functional approach under EMIR? If not, what other aspects should be taken into account. Please elaborate.  
Q102 Do you agree with the proposed territorial approach under SFTR? If not, what other aspects should be taken into account. Please elaborate. |
| 6.1.3 Home and host authority (p.153) | | |
| 6.1.4 Definition of data access in the case of branches under SFTR (p.153) | Q103 Do you agree with the proposed levels of access do data reported by branches included in section 6.5? If not, what other aspects should be taken into account. Please elaborate. |
| 6.1.5 Definition of data access in the case of subsidiaries and groups (EMIR and SFTR) (p.154) | Q104 Do you agree with the proposed levels of access do data reported by subsidiaries under EMIR included in sections 6.5.1 – 6.5.5? If not, what other aspects should be taken into account. Please elaborate.  
Q105 Do you agree with the proposed levels of access data reported by subsidiaries under SFTR included in sections 6.5.1 –6.5.5? If not, what other aspects should be taken into account. Please elaborate. |
| 6.1.6 Definition of data access with regards to commodities (p.156) | Q106 Is there any possible way to ensure the access to TR data from the perspective of commodities? Please elaborate. |

#### 6.2 Definition of access levels under SFTR for authorities which have had access to data under EMIR | |
### 6.2.1 NCAs for securities and markets (defined in points f), j) and o) of Article 81(3) EMIR and points e), i) and m) of Article 12(2) SFTR) (p.157)

| Question | Q107 Do you agree with the proposed access levels under SFTR for authorities competent for securities and markets? If not, what other aspects should be taken into account. Please elaborate. |

### 6.2.2 Authorities competent for CCPs (p.158)

| Question | Q108 Do you agree with the proposed access levels under SFTR for authorities supervising CCPs? If not, what other aspects should be taken into account. Please elaborate. |

### 6.2.3 ESCB issuer of currency (p.158)

| Question | Q109 Do you agree with maintaining the current access levels under EMIR for ESCB issuer of the currency? If not, what other aspects should be taken into account. Please elaborate.  
Q110 Do you agree with the proposed access levels under SFTR for ESCB issuer of the currency? If not, what other aspects should be taken into account. Please elaborate. |

### 6.2.4 Authorities competent for takeover bids (p.161)

| Question | Q111 Do you agree with the proposed access levels under SFTR for authorities competent for takeover bids? If not, what other aspects should be taken into account. Please elaborate. |

### 6.2.5 ESMA and ESRB (p.161)

| Question | Q112 Do you agree with the proposed access levels under SFTR for ESMA and ESRB? If not, what other aspects should be taken into account. Please elaborate. |

### 6.2.6 ACER (p.163)

| Question | Q113 Do you agree with the proposed access levels under SFTR for ACER? If not, what other aspects should be taken into account. Please elaborate. |

### 6.2.7 Third country authorities (p.163)

### 6.3 Definition of access levels under SFTR and EMIR for authorities not included originally in EMIR

### 6.3.1 EBA and EIOPA (p.164)

| Question | Q114 Do you agree with the proposed access levels under EMIR for EBA and EIOPA? If not, what other aspects should be taken into account. Please elaborate.  
Q115 Do you agree with the proposed access levels under SFTR for EBA and EIOPA? If not, what other aspects should be taken into account. Please elaborate. |

### 6.3.2 Prudential authorities and sectorial authorities (p.165)

| Question | Q116 Do you agree with the proposed access levels under EMIR for ECB in carrying out its tasks within a single supervisory mechanism? If not, what other aspects should be taken into account. Please elaborate.  
Q117 Do you agree with the proposed access levels under SFTR for ECB in carrying out its tasks within a single supervisory mechanism? If not, what other aspects should be taken into account. Please elaborate. |
Q118 Do you agree with the proposed access levels under EMIR for national authorities competent for the prudential supervision under CRD IV and CRR which participate in the SSM? If not, what other aspects should be taken into account. Please elaborate.

Q119 Do you agree with the proposed access levels under SFTR for national authorities competent for the prudential supervision under CRD IV and CRR which participate in the SSM? If not, what other aspects should be taken into account. Please elaborate.

Q120 Do you agree with the proposed access levels under EMIR for national authorities competent for the prudential supervision under CRD IV and CRR which do not participate in the SSM? If not, what other aspects should be taken into account. Please elaborate.

Q121 Do you agree with the proposed access levels under SFTR for national authorities competent for the prudential supervision under CRD IV and CRR which do not participate in the SSM? If not, what other aspects should be taken into account. Please elaborate.

Q122 Do you agree with the proposed access levels under EMIR for national supervisory authorities under Solvency II? If not, what other aspects should be taken into account. Please elaborate.

Q123 Do you agree with the proposed access levels under SFTR for national supervisory authorities under Solvency II? If not, what other aspects should be taken into account. Please elaborate.

Q124 Do you agree with the proposed access levels under EMIR for national competent authorities under UCITS and AIFMD? If not, what other aspects should be taken into account. Please elaborate.

Q125 Do you agree with the proposed access levels under SFTR for national competent authorities determined under Solvency II? If not, what other aspects should be taken into account. Please elaborate.

6.3.3 National Resolution Authorities and Single Resolution Board (p.171)

Q126 Do you agree with the proposed access levels under EMIR for national resolution authorities? If not, what other aspects should be taken into account. Please elaborate.

Q127 Do you agree with the proposed access levels under EMIR for SRB? If not, what other aspects should be taken into account. Please elaborate.

Q128 Do you agree with the proposed access levels under SFTR for national resolution authorities? If not, what other aspects should be taken into account. Please elaborate.

Q129 Do you agree with the proposed access levels under SFTR for SRB? If not, what other aspects should be taken into account. Please elaborate.

6.4 Terms and conditions for data access under SFTR (p.173)

Q130 Are there any other aspects that need to be included in the procedure to be put in place by the trade repository? Please elaborate.

Q131 Is there any additional information that needs to be included in the templates and tables? Please elaborate.

6.5 Tables with access levels
Concluding remarks:

The ICMA ERCC would like to thank ESMA once again for the opportunity to respond to the present consultation and remains at your disposal to discuss any of the points covered in this response.

Yours faithfully,

Godfried De Vidts
Chairman
ICMA European Repo and Collateral Council