EU Securities Financing Transaction Regulation (SFTR)
The Essentials

What does it do?
• encourages transparency in repo and other securities financing transaction markets in Europe
• introduces, among other things, extensive transaction reporting requirements for SFTs, including repos (repurchase transactions and buy/sell-backs), securities lending and borrowing, commodities lending and borrowing, and margin lending

Reporting live dates
• sell-side firms: 13 July 2020 (postponed from March 2020)
• CCPs and CSDs: 13 July 2020
• buy-side firms: 12 October 2020
• non-financial counterparties: January 2021 (only in the EU)

Scope
• SFTs to be reported to an authorized or recognized trade repository (TR), generally by the end of T+1
• applies to any financial or non-financial SFT counterparty established in the EU, or established in a third country, if the SFT is concluded in the course of the operations of an EU branch of that counterparty.
• Post-Brexit, UK firms need to report under UK SFTR to a UK-authorised trade repository (but: UK NFCs are exempt)

How does this impact my business?
• if based in Europe, you should report all repo or securities lending business to an authorised EU TR (currently DTCC, Regis-TR, UnaVista and KDPW)
• the same applies to UK counterparties, who report to a UK authorized TR (currently DTCC and UnaVista)
• if based in a third country, you only need to report if the trade is executed (and booked) by your EU branch or subsidiary

What is ICMA doing for its members?
• dedicated SFTR Task Force established under the ICMA European Repo & Collateral Council
• over 150 firms represented, including buy-side, sell-side, market infrastructure providers, but also trade repositories and other service providers
• developed detailed best market practice in relation to SFTR reporting, complementing guidance provided by regulators
• aggregates public SFTR data each week from all EU and UK TRs

Resources
SFTR news and resources
ICMA Recommendations for Reporting under SFTR
SFTR Public Data
ICMA SFTR checklist for non-European firms
ICMA Podcast: Introduction to SFTR

ICMA contacts
For more information, please contact the Secretariat of the ICMA European Repo and Collateral Council: ercc@icmagroup.org
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