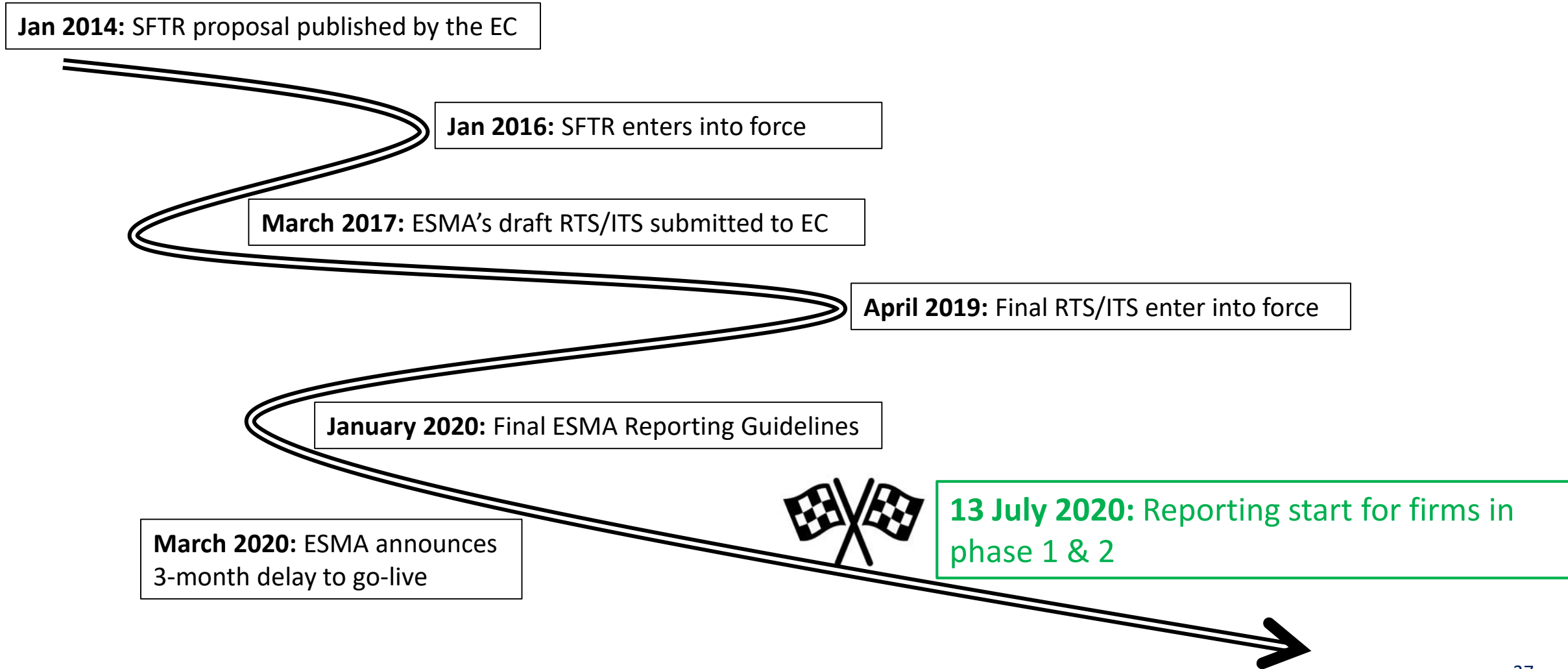


SFTR update

Alexander Westphal, Director, ICMA

SFTR reporting – the road to go-live...



SFTR reporting – more to come...

Two “go-lives” still to come...

- **Mon 12 October 2020:** Reporting start for UCITs, AIFs & (re-)insurance undertakings
- **Mon 11 January 2021:** Reporting start for NFCs (except in the UK)

Brexit...

- **31 December 2020:** End of the transition period will see a split into EU SFTR & UK SFTR

ESMA Level 3 guidance to be completed...

- Guidelines, validation rules & XML schemas (all published)
- Q&As (still to come)

... and ultimately there will also be an opportunity for a full SFTR review

- Commission report to assess effectiveness, efficiency & proportionality due in **April 2022**

The ERCC’s SFTR Task Force

- Established in 2016
- Group is open to a broad range of market participants, including sell-side, buy-side, market infrastructures, TRs and service providers – in total **over 150 firms** represented
- Main objective of the TF has been to facilitate implementation by agreeing and documenting common interpretations and detailed best practice recommendations

ICMA SFTR best practices and other publications

- [ICMA Recommendations for Reporting under SFTR](#) (4th version released on 7 Sep)
- [SFTR sample reports](#) (covering nearly 50 repo scenarios)
- [Overview for the reporting of repo lifecycle events](#)
- SFTR Quick Guide (maps ICMA recommendations vs SFTR reporting fields)
- [Master Regulatory Reporting Agreement](#) published in December 2019 (jointly by ICMA, ISLA, ISDA, AFME, FIA)
- Aggregated [SFTR public data](#) published on a weekly basis

ICMA log of implementation issues post go-live

- Based on member feedback, ICMA put together a detailed log of reporting issues observed since go-live
- List covers around 50 issues and continues to evolve
- Initial version shared with ESMA & some NCAs
- Issues log feeds back into the ICMA SFTR recommendations

What are the key issues?

- Issues captured include (i) problems causing TR rejections, (ii) pairing issues & (iii) matching breaks
- Most issues are due to incorrect reporting by firms (e.g. static data issues, sequencing of action types)...
- But a significant number result from problems with the underlying ESMA rules (e.g. collateral signage)...
- And some issues haven't materialized yet but are bound to create problems in the future (e.g. settlement fails reporting, collateral market value, LEI for non-EEA issuers)

Further information

Links:

[ICMA SFTR webpage](#)

[Internal SFTR Task Force page \(ICMA member login required\)](#)

[SFTR public data](#)

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