SFTR update
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SFTR reporting – the road to go-live…

- **Jan 2014:** SFTR proposal published by the EC
- **March 2017:** ESMA’s draft RTS/ITS submitted to EC
- **Jan 2016:** SFTR enters into force
- **January 2020:** Final ESMA Reporting Guidelines
- **March 2020:** ESMA announces 3-month delay to go-live
- **April 2019:** Final RTS/ITS enter into force
- **13 July 2020:** Reporting start for firms in phase 1 & 2
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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