

# The Securities Financing Transactions Regulation (SFTR): Reporting Obligations

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## The Short Read

Extensive transaction reporting obligations under the SFTR<sup>[1]</sup> regime will apply to certain buy-side firms, beginning on either 11 October 2020 or 11 January 2021.

Firms will need to: (a) determine if they will have a reporting obligation; (b) if so, determine the relevant start date applicable to them; and (c) have a delegated reporting agreement in place or be ready to report themselves.

## The Full Read

### Background to the SFTR

The objective of the SFTR is to reduce systemic risk in respect of securities financing transactions ("SFTs"), including enhanced transparency and surveillance of the SFT market. In addition to the reporting obligation, the SFTR has also introduced new rules (now in effect):

- in relation to warnings of the general risks and consequences involved in a right of use of collateral, requiring counterparties having a right to reuse financial instruments under "collateral arrangements" (for example, an agreement under which securities are transferred by title transfer, such as a repurchase agreement) to furnish the collateral provider with a written statement setting out the risks and consequences that may arise from such reuse;
- in relation to transparency, requiring investors to be informed in:
  1. periodical reports, whereby UCITS management companies, UCITS investment companies and alternative investment fund managers authorised under the Alternative Investment Fund Managers Directive ("AIFMs" and "AIFMD", respectively) are required to inform investors of their use of SFTs and total return swaps ("TRS") (x) in the case of an AIFM, in the required AIFMD annual report in respect of the relevant alternative investment fund ("AIF") and (b) in the case of a UCITS management company or UCITS investment company, in the required UCITS Directive half yearly and annual reports; and
  2. pre-contractual documents, whereby a UCITS prospectus and disclosures by AIFMs to investors pursuant to Articles 23(1) and (3) of the AIFMD (which are usually made in the relevant fund prospectus) must specify the SFTs and TRS which the UCITS/AIF is authorised to use along with a clear statement that those transactions and instruments are used; and
- in relation to record keeping, requiring counterparties to keep a record of SFTs for five years following their termination.

These rules have all been in force for some time (and are not considered further in this *Briefs for the Buy side*<sup>[2]</sup>) and the final pillar of the

SFTR, the reporting obligation, is currently subject to a phased in approach.

### What are SFTs?

The SFTR defines SFTs to mean:

- repurchase transactions ('repos');
- securities or commodities lending and securities or commodities borrowing;
- buy/sell-back transactions; and
- margin lending transactions.

The scope of the last of these transactions is potentially very wide and covers any transaction in which a counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities. The recitals to the RTS on SFTR Reporting[3] make it clear that while margin lending includes transactions subject to margin agreements pursuant to the provision of prime brokerage services, it does not include other loans, such as loans for corporate restructuring purposes, which, despite the possibility of involving securities, do not contribute to the systemic risks addressed by the SFTR.

The European Securities and Markets Authority ("ESMA") "*Guidelines: Reporting under Articles 4 and 12 SFTR*"[4] (the "*ESMA Guidelines*") contain additional information on certain market transactions that would not qualify as SFTs, such as intermediate give-ups and take ups and overdraft facilities of custodians.

The definition of SFT does not include derivatives (which, of course, are subject to their own reporting regime under EMIR[5]) but does include liquidity swaps and collateral swaps which do not fall under the definition of 'derivative contract' in EMIR.

### Entities in scope for SFTR reporting

The SFTR reporting requirements apply to:

- counterparties established in the European Union ("EU") entering into SFTs (including through both their EU and non-EU branches); and
- third country entities entering into SFTs which are concluded in the course of operations of an EU branch[6] of that entity.

### Non-EU AIF of an EU AIFM

For some time, ambiguity prevailed as to whether a non-EU AIF with an EU AIFM would be within the SFTR reporting regime; with the prevailing market view being that they would not. To the surprise of many, ESMA in its "*Final report: Guidelines on reporting under Articles 4 and 12 SFTR*"[7] appeared to confirm that they would be in scope of the SFTR reporting obligation.

Cue a letter from the Alternative Investment Management Association (AIMA) to ESMA and the European Commission[8] (the "*EC*") expressing concern over this interpretation. This elicited responses from both ESMA[9] and the EC[10] which have confirmed that non-EU AIFs are not subject to the SFTR reporting obligation, irrespective of where the AIFM is established.

(The sole limited exception being that non-EU AIFs concluding SFTs through an EU branch (an unlikely scenario for AIFs) would remain in scope of the SFTR reporting obligation.)

In terms of reporting coverage, it is worth noting that the SFTR reporting obligation is narrower in scope than the derivatives reporting regime under EMIR. Pursuant to the EMIR reporting obligation, a non-EU AIF with an EU AIFM is required to report its derivative transactions (with the AIFM being responsible and legally liable for the reporting of over-the-counter derivatives).

#### SFTR reporting commencement dates

SFTR reporting is being phased in, with start dates as follows:

**Phase 1:** 11 April 2020 (although the start date was in fact 13 April, as 11 April fell on a weekend)

- Investment firms authorised in accordance with MiFID
- Credit institutions authorised in accordance with Directive 2013/36/EU of the European Parliament and of the Council or Regulation (EU) No 1204/2013
- Third country equivalents to the two entities listed above

The SFTR Counterparty Classification for entities in this grouping is Financial Counterparty (“FC”).

Note that although ESMA issued a Public Statement acknowledging that the COVID-19 pandemic has impacted counterparties’ preparations for reporting and that ESMA therefore expected competent authorities not to prioritise their supervisory actions towards counterparties, entities responsible for reporting and investment firms in respect of their reporting obligations pursuant to the SFTR, regarding SFTs concluded between 13 April 2020 and 13 July 2020, and SFTs subject to backloading under the SFTR, and to generally apply their risk-based approach in the exercise of supervisory powers in their day-to-day enforcement of applicable legislation in this area in a proportionate manner.

**Phase 2:** 11 July 2020 (although the start date was in fact 13 July, as 11 July fell on a weekend)

- Central Securities Depositories authorised in accordance with Regulation (EU) No 909/2014 of the European Parliament and of the Council
- Central Counterparties authorised in accordance with EMIR
- Third country equivalents to the two entities listed above

The SFTR Counterparty Classification for entities in this grouping is FC.

**Phase 3:** 11 October 2020 (although the start date will in fact be 12 October, as 11 October will fall on a weekend)

- Insurance or reinsurance undertakings authorised in accordance with Directive 2009/138/EC of the European Parliament and of the Council
- UCITS authorised in accordance with the UCITS Directive
- AIFs managed by an AIFM authorised or registered in accordance with the AIFMD\*
- Institutions for occupational retirement provisions authorised or registered in accordance with Directive 2003/41/EC of the European Parliament and of the Council

- Third country equivalents to the four entities listed above

The SFTR Counterparty Classification for entities in this grouping is FC.

Note that despite ESMA's Public Statement on COVID-19 referred to above, there has been no indication that a similar forbearance will be applied to buy-side firms caught by Phases 3 and/or 4.

#### **Phase 4:** 11 January 2021

- Undertakings established in the EU other than (broadly) those listed above
- Third country equivalents to the entities listed above

The SFTR Counterparty Classification for entities in this grouping is Non-Financial Counterparty ("NFC").

\* It is worth noting that pursuant to the amending regulation to EMIR published in the Official Journal of the EU on 28 May 2019 (known as "EMIR REFIT"), the definition of a 'financial counterparty' in EMIR was amended to include AIFs established in the EU (whether or not managed by an authorised or registered AIFM); in which case a non-EU AIF with a non-EU AIFM is now classified as a 'hypothetical' or 'third country' financial counterparty under EMIR. However, that same change has not yet been applied to the SFTR. Therefore, under the SFTR, a non-EU AIF with a non-EU AIFM is classified as a NFC.

The reporting obligation under the SFTR is a dual sided one – if both counterparties are in scope, both must report (subject to certain exceptions noted in "*Responsibilities for reporting*" below). Given that the phase-in dates for reporting differ depending on the type of counterparty (see table above), the ESMA Guidelines<sup>[11]</sup> state that the counterparty for which the reporting obligation has not yet started should provide to the counterparty for which the reporting obligation has commenced all the relevant information in accordance with the relevant secondary legislation<sup>[12]</sup>.

Similarly, a counterparty that is out of scope for the SFTR reporting obligation can expect requests for information from its in scope counterparty to enable that counterparty to comply with its own reporting obligations under the SFTR.

#### **Which SFTs are in scope and when must they be reported?**

In scope SFTs are those:

- concluded before the relevant phase-in date (see table above) and remaining in effect on that date if (a) the remaining maturity of that SFT on that date exceeds 180 days or (b) that SFT has an open maturity and remains outstanding 180 days after that date; and
- concluded on or after the relevant phase-in date.

The relevant SFT details should be reported to a trade repository approved by ESMA (which will be registered with ESMA in the case of an EU trade repository and recognised by ESMA in the case of a non-EU trade repository)<sup>[13]</sup>. If no registered or recognised trade repository exists, then the reports are to be made to ESMA.

The reporting of those SFTs which counterparties are required to 'backload' as described under (i) above must be carried out within 190 days of the relevant phase-in date of the relevant counterparty.

The reporting of all other SFTs is on a next working day basis following the conclusion, modification and termination of the SFT.

#### What type of data has to be reported?

The volume of the data gathering and reporting requirements in furtherance of the SFTR reporting eclipses that required under the EMIR reporting regime. The SFTR report template comprises of 155 fields spread across four tables[14], consisting of counterparty details (*Table 1*), loan and collateral data (*Table 2*), margin data for cleared SFTs (*Table 3*) and collateral reuse, cash reinvestment and funding sources data (*Table 4*); and must be accurately completed. Trade repositories are required to verify and reconcile certain fields within the submitted reports[15]; however, Table 4 will not be used for reconciliation. The specific contents of each report will depend on the type of SFT being reported (for example, 118 fields are applicable to repo SFTs) and the position of the reporting counterparty (for example, only the counterparty receiving non-cash collateral is to specify the details of reuse of such collateral, and only the counterparty receiving cash collateral is to specify the details of cash collateral reinvestment).

#### *Legal entity identifier*

It is necessary to report the legal entity identifier (“LEI”) of not only the counterparties to an SFT but also the LEI of (amongst others) brokers, clearing members, tri-party agents and the issuer of securities which are lent, borrowed or provided as collateral in an SFT. However, this creates a compliance issue insofar as many non-EU jurisdictions do not thus far require the use of an LEI, in which case an LEI may be not be available to satisfy reporting requirements. To account for this, ESMA has issued a statement providing for a period of regulatory forbearance (the “ESMA LEI Statement”)[16] until 13 April 2021, during which period reports in respect of third-country issuers of relevant securities without LEIs will be accepted without those LEI details. However, the ESMA LEI Statement notes that, during the forbearance period, counterparties are expected to make relevant issuers aware of the requirements under the SFTR, and the issuers should facilitate the use of their securities by counterparties subject to the SFTR reporting requirements.

#### *Collateral*

As a general proposition, in the case of: (i) repos or buy/sell-back transactions, the buyer is the collateral taker and the seller is the collateral provider; (ii) securities or commodities lending and securities or commodities borrowing transactions, the lender is the collateral taker and the borrower is the collateral provider; and (iii) margin lending transactions, the party to whom credit is extended (i.e. the borrower) is the collateral provider and the provider of credit (i.e. the lender) is the collateral taker.

Complexities arise in the identification of assets used as collateral and details on collateral available for reuse. Given that securities received as collateral under an SFT are often held in the same account as a collateral taker's own securities (as well as other securities provided as collateral) – and may therefore be indistinguishable – it may not be possible to measure the actual reuse of collateral. As such, information on reuse will usually be an estimate to be reported by the collateral taker using the formula agreed in the Financial Stability Board framework[17] (which, according to the ESMA Guidelines, in effect estimates the amount of collateral being reused based on the share of collateral received, as compared with the collateral taker's own assets). Furthermore, the ‘estimated re-use of collateral’ is performed using the International Securities Identification Numbering (ISIN) system (i.e. a code identifying specific securities). If a reporting counterparty cannot distinguish between its own cash and cash received as cash collateral, the cash reinvestment amount will be calculated in the same way as for non-cash collateral[18].

The ESMA Guidelines state that non-cash collateral reuse, cash collateral reinvestment and funding sources data are to be reported as “aggregates at reporting-entity level”, with collateral posted for margining purposes in derivatives transactions or other transactions outside

the scope of SFTR not being included in the formula<sup>[19]</sup>. In circumstances where reporting is delegated (see “*How to Comply*” below), the ESMA Guidelines state<sup>[20]</sup> that the counterparty to whom reporting has been delegated is not responsible for the reporting of the estimated reuse of the collateral<sup>[21]</sup> and that NFCs are responsible for calculating the estimated reuse themselves and for providing the estimate to the counterparty in charge of reporting in a timely manner. As such, even where reporting is delegated, in scope collateral takers will most likely themselves need to formulate and enrich collateral reuse reports and provide them to the reporting delegate.

Considering that the SFTR reporting regime requires modifications to SFTs to be reported, any change in the securities reused, or any revised estimated reuse or value of reused collateral will require an updated reuse report. The ESMA Guidelines confirm<sup>[22]</sup> that collateral reports should reflect a snapshot reflecting the state of play at the end of the relevant day. In other words, intra-day changes should not be reported.

### Responsibility for reporting

#### *AIFMs and UCITS management companies*

Where the SFT counterparty is a UCITS, the management company of the UCITS is responsible for reporting on behalf of the UCITS. Likewise, where the SFT counterparty is an AIF, its AIFM is responsible for reporting on behalf of the AIF.

#### *Mandatory reporting involving a small NFC*

Where a FC enters into an SFT with a NFC, the FC is responsible for reporting on behalf of both counterparties if the NFC *does not* exceed, as of its balance sheet dates, at least two of the following three criteria: (1) balance sheet total of EUR 20,000,000; (2) net turnover of EUR 40,000,000; and (3) average number of employees during the financial year of 250 (“Mandatory Reporting”). Such a NFC not exceeding two of those three criteria is known as a ‘NFC- SME’ or ‘small NFC’.

Although this exemption is drafted to apply only to the conclusion of an SFT, we would assume that it applies equally to a modification or termination of an SFT.

In the ESMA Guidelines<sup>[23]</sup>, ESMA states that: (i) the NFC must communicate to its FC counterparty whether or not it qualifies as a NFC- SME and must update the FC on any potential changes in its status; and (ii) Mandatory Reporting will not apply where the counterparty is a non-EU FC outside the scope of application of the SFTR. In that case, the NFC- SME will need to either report to a trade repository itself, or delegate the reporting obligation to another party (see “*How to Comply*” below).

Additionally, the ESMA Guidelines note that in respect of an SFT between a non-EU FC acting through an EU branch and a NFC- SME, once an equivalence decision is made under the SFTR in respect of the reporting regime of the third country in which the FC is established, reporting under that third country regime will satisfy the requirement of both parties to report under the SFTR.

#### *Impact of the Senior Managers and Certification Regime (“SMCR”)*

The United Kingdom (“UK”) Financial Conduct Authority has recently updated its “European Market Infrastructure Regulation – reporting errors and omissions notification form”<sup>[24]</sup> to include (amongst more general updates relating to the EMIR REFIT changes) a field specifying the ‘Senior Management Function accountable for EMIR reporting’. Our expectation is that the requirement to provide the Senior Management Function encompassing this obligation will eventually be applied to other reporting regimes notifications, including under the SFTR.

Therefore, for those firms in scope of the SMCR and SFTR (as well as EMIR), it would be a prudent measure to: (i) determine which Senior Management Function has accountability for compliance with the relevant reporting regime; (ii) reflect the same in the relevant Statement of Responsibility; and (iii) ensure that such Senior Manager is provided with the necessary information and data to properly monitor and check this area of accountability.

### How To Comply

#### *Delegation*

As with the derivatives reporting regime under EMIR, an in scope counterparty may delegate the action of reporting the details of its SFTs, but it will remain liable for compliance with its obligations. As noted above, it should be remembered that: (i) where a UCITS managed by a management company is the SFT counterparty, the management company is responsible for fulfilling the reporting obligation on behalf of the UCITS; and (ii) where an AIF is the SFT counterparty, its AIFM is responsible for fulfilling the reporting obligation on behalf of the AIF.

If the reporting obligation is delegated to the counterparty (or other third party), then a delegated reporting agreement will need to put in place. The International Swaps and Derivatives Association, Inc. (jointly with four other trade bodies<sup>[25]</sup>) has published the Master Regulatory Reporting Agreement<sup>[26]</sup> (the “MRRA”) which is intended to cover market participants’ regulatory reporting obligations in respect of SFTs under the SFTR (as well as derivative transactions under EMIR).

In respect of the SFTR reporting obligation, the MRRA: (i) allows a counterparty to ‘optionally’ elect to delegate reporting where Mandatory Reporting does not apply; and (ii) provides for certain terms and provisions to apply if Mandatory Reporting does apply to the SFT.

Finally, it has been ‘Brexit-proofed’ in the sense that it will continue to operate in relation to both the EU and the UK derivatives and SFT reporting regimes following the withdrawal of the UK from the EU (“Brexit”).

Delegation to another party is not a panacea for compliance. If a counterparty does engage in such a delegation of reporting functions, given it remains fully responsible and liable for the reporting, it will need to ensure that it is monitoring and checking the performance of the delegate and reviewing the submitted reports on a regular and on-going basis to ensure their accuracy and timely submission. Given the complexity of the reporting requirements, this will be no easy feat. Firms that chose to delegate will also need to on-board with the relevant trade repository in order to be able to check the content of the reports submitted on their behalf<sup>[27]</sup>. Note also that the delegating party is expected to have to provide information on collateral reuse to the delegate (see “What type of data has to be reported?” above), although under the MRRA it is possible to delegate the reporting of this data also.

### Market Guidance

It is generally acknowledged that the granular nature of the SFTR reporting obligation has been a challenge to the industry, both from a compliance and a data capture standpoint. Two useful resources to assist and support entities with their SFTR implementation programmes are: (i) a guide entitled “Recommendations for Reporting under SFTR” (covering primarily repos) published by ICMA<sup>[28]</sup>; and (ii) the SFTR Report Modeller prepared by ISLA<sup>[29]</sup>.

### Brexit

On 23 June 2020, the Chancellor of the Exchequer, Rishi Sunak, provided a written ministerial statement on the UK’s approach to financial

services legislation post Brexit<sup>[30]</sup>. It was confirmed in that statement that the UK's approach to onshoring the SFTR would not include implementing the Phase 4 (see table above) reporting obligation<sup>[31]</sup>. Rather, it is envisaged that any "systematically important NFC trading activity will be captured sufficiently through the other reporting obligations that are due to apply to FCs".

The upshot is that, under the onshored UK SFTR regime ("UK SFTR"), NFCs established in the UK will not need to put in place arrangements to meet the UK SFTR reporting obligations.

### **AB Trading Advisors' View and Comment**

To the extent not already actioned, we recommend the following action points:

- determine whether your entities: (i) trade SFTs; and (ii) are in scope for the STR reporting obligation;
- determine your entities' SFTR counterparty classifications (i.e. FC, NFC or NFC- SME) and communicate the same to your SFT counterparties (noting that some dealers are collecting this information through the IHS Market Outreach360 portal);
- determine how to comply with the SFTR reporting obligation – if reporting is to be delegated, ensure that an appropriate delegation agreement is in place, including access to the relevant trade repository; and
- carefully consider and discuss with counterparties the necessary data in respect of collateral reuse, cash reinvestment and funding sources to be reported.

**The above material is provided in brief, summary form. It is provided for information purposes only and should not be taken to constitute legal advice. Professional legal advice should be obtained before taking or refraining from any action in relation to the contents of this email.**

[1] Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32015R2365&from=EN>

[2] See our July 2017 edition of *Briefs for the Buy side* (available at: <https://abderivs.com/client-news/july-2017-the-securities-financing-transactions-regulation-sftr-revisited/>) for more information on certain of these obligations.

[3] Commission Delegated Regulation (EU) 2019/356 of 13 December 2018 supplementing Regulation (EU) 2015/2365 of the European Parliament and of the Council with regard to regulatory technical standards specifying the details of securities financing transactions (SFTs) to be reported to trade repositories. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0356&from=EN>

[4] Available at: [https://www.esma.europa.eu/sites/default/files/library/esma70-151-2838\\_guidelines\\_on\\_reporting\\_under\\_sftr.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-151-2838_guidelines_on_reporting_under_sftr.pdf). See Section 4.2.1 thereof.



[5] Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories (available at: <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ%3AL%3A2012%3A201%3A0001%3A0059%3AEN%3APDF>), as amended from time to time including by EMIR REFIT (available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0834&from=EN>).

[6] ESMA has determined that “concluded” should not carry a broader meaning beyond execution and confirmed in the ESMA Guidelines (at Section 4.6.1) that it would mean where the SFT is booked.

[7] Available at: [https://www.esma.europa.eu/sites/default/files/library/esma70-151-2703\\_final\\_report\\_-\\_guidelines\\_on\\_reporting\\_under\\_sfr.pdf](https://www.esma.europa.eu/sites/default/files/library/esma70-151-2703_final_report_-_guidelines_on_reporting_under_sfr.pdf); see Paragraph 132 thereof.

[8] Available at: [https://www.isla.co.uk/wp-content/uploads/2020/02/AIMA\\_sfr\\_scope\\_letter\\_EC\\_ESMA.pdf](https://www.isla.co.uk/wp-content/uploads/2020/02/AIMA_sfr_scope_letter_EC_ESMA.pdf)

[9] Available at: [https://www.isla.co.uk/wp-content/uploads/2020/02/Response\\_ESMA\\_AIMA\\_sfr\\_scope.pdf](https://www.isla.co.uk/wp-content/uploads/2020/02/Response_ESMA_AIMA_sfr_scope.pdf)

[10] Available at: [https://www.isla.co.uk/wp-content/uploads/2020/02/Response\\_EC\\_AIMA\\_sfr\\_scope.pdf](https://www.isla.co.uk/wp-content/uploads/2020/02/Response_EC_AIMA_sfr_scope.pdf)

[11] Section 4.20, paragraph 166 thereof.

[12] Being those at *fn. 14* below.

[13] There are currently four registered trade repositories for the purposes of SFT reporting, being: DTCC Derivatives Repository Plc, Krajowy Depozyt Papierów Wartościowych S.A., Regis-TR S.A. and UnaVista TRADEcho B.V..

[14] See: (i) the RTS on SFTR Reporting (see *fn. 3* above); and (ii) Commission Implementing Regulation (EU) 2019/363 of 13 December 2018 laying down implementing technical standards with regard to the format and frequency of reports on the details of securities financing transactions (SFTs) to trade repositories in accordance with Regulation (EU) 2015/2365 of the European Parliament and of the Council and amending Commission Implementing Regulation (EU) No 1247/2012 with regard to the use of reporting codes in the reporting of derivative contracts. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0363>

[15] In accordance with: (i) Commission Delegated Regulation (EU) 2019/358 of 13 December 2018 supplementing Regulation (EU) 2015/2365 of the European Parliament and of the Council with regard to regulatory technical standards on the collection, verification, aggregation, comparison and publication of data on securities financing transactions (SFTs) by trade repositories. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0358&from=EN>; and (ii) Commission Delegated Regulation (EU) 2019/357 of 13 December 2018 supplementing Regulation (EU) 2015/2365 of the European Parliament and of the Council with regard to regulatory technical standards on access to details of securities financing transactions (SFTs) held in trade repositories. Available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32019R0357&from=EN>

[16] Available at: [https://www.esma.europa.eu/sites/default/files/library/esma74-362-388\\_lei\\_statement\\_sfr.pdf](https://www.esma.europa.eu/sites/default/files/library/esma74-362-388_lei_statement_sfr.pdf)

[17] See Section 5.6.1, paragraph 397 of the ESMA Guidelines. Financial Stability Board “*Transforming Shadow Banking into Resilient Market-based Finance - Non-Cash Collateral Re-Use: Measure and Metrics*” is available at: <https://www.fsb.org/wp-content/uploads/Non-cash-Collateral-Re-Use-Measures-and-Metrics.pdf>; see page 9 thereof.

[18] See Section 5.6.2, paragraph 419 of the ESMA Guidelines.

[19] See Section 5.6, paragraph 395 and Section 5.6.1, paragraph 398 thereof, respectively.

[20] See Section 5.6.1, paragraph 401 thereof.

[21] For instance, in the MRAA (see “*How to Comply*”), there are a series of elections by which the parties agree who will provide the requisite information to submit the collateral re-use data.

[22] See Section 4.8.1, paragraph 72 and Section 4.8.2, paragraph 75 thereof, respectively.

[23] Sections 4.4.1 and 4.4.2 thereof.

[24] See ‘EMIR Breach Notification form’, available at: <https://www.fca.org.uk/markets/european-market-infrastructure-regulation-emir/reporting-obligation>

[25] Association of Financial Markets in Europe (AFME), Futures Industry Association (FIA), International Capital Markets Association (ICMA) and International Securities Lending Association (ISLA).

[26] Available at: <https://www.isda.org/2019/12/19/mrra/>

[27] Note that the trade repositories registered in accordance with the SFTR (see *fn. 13* above) are not identical to the ones registered in accordance with EMIR. See <https://www.esma.europa.eu/supervision/trade-repositories> for the complete list of trade repositories registered under both the SFTR and EMIR.

[28] Available at: <https://www.icmagroup.org/assets/documents/Regulatory/Repo/SFTR/ICMA-recommendations-for-reporting-under-SFTR-240220.pdf>

[29] Only available to Members (<https://www.isla.co.uk/news/isla-publishes-updated-sftr-report-modeller/>).

[30] Available at: <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2020-06-23/HWWS309/>

[31] See also the UK Financial Conduct Authority’s updated SFTR webpage reflecting this, available at: <https://www.fca.org.uk/markets/sftr>