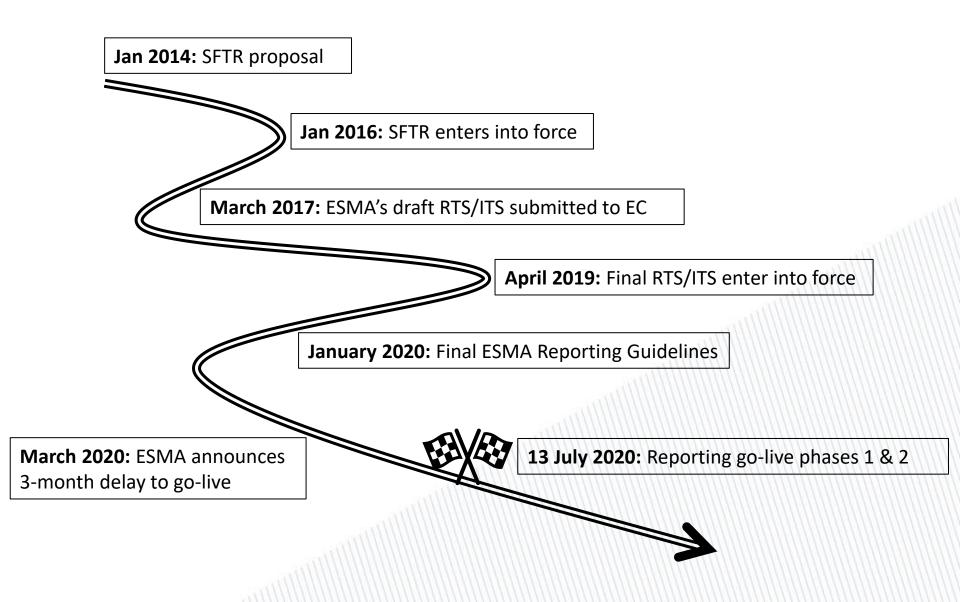


ICMA webinar: SFTR in action - lessons learned from the first 2 months

17 September 2020





- 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 Non-Financial Counterparties (NFCs)

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 (published 6 January 2020)
 - XML schemas (last updated on 20 December 2019)
 - Q&As (still to come)
- And ultimately, there will also be an opportunity for a full SFTR review...
 - Initial ESMA report to the Commission in April 2021
 - Commission report in April 2022 to assess effectiveness, efficiency & proportionality

- ICMA's SFTR Task Force:
 - Established in 2015 under the European Repo and Collateral Council (ERCC)
 - Group is open to a broad range of market participants, including sell-side, buy-side, market infrastructures, TRs and service providers – in total now over 150 firms represented
 - Main objective of the group has been to facilitate implementation by agreeing and documenting common interpretations and detailed best practice recommendations
- ICMA SFTR best practices and other publications include:
 - <u>ICMA Recommendations for Reporting under SFTR</u> (4th version released on 7 Sep)
 - <u>SFTR sample reports</u> (covering nearly 50 repo scenarios)
 - Overview for the reporting of repo lifecycle events
 - Post-go-live: Log of reporting issues
 - Aggregated SFTR public data published on a weekly basis

ICMA Recommendations for Reporting under SFTR

ICMA European Repo and Collateral Council September 2020



ERCC SFTR Task Force - Sample Reports

overview table

111,

ICMA International Capital Market Association

Last modified:	21	February	2020

	type	term	start	repo rate	term.opt.	venue	any special parties	event(s)	collateral
1	SBSC	fixed	immediate	fixed	no	OTC		new documented	specific
2	SBSC	fixed	immediate	fixed	no	OTC		new undocumented	specific
	REPO	fixed	immediate	fixed	no	OTC		new	specific
	REPO	fixed	immediate	fixed	no	отс	branch	new	specific
	REPO	fixed	immediate	fixed	no	RFQ	small NFC	new	specific
							Small NFC		
	REPO	fixed	immediate	fixed	no	voice-broker		new	specific
A	REPO	fixed	immediate	fixed	no	OTC	agent	new	specific
в	REPO	fixed	immediate	fixed	no	OTC	agent	new	specific
A	REPO	fixed	immediate	fixed	no	RFQ	agent	new	specific
в	REPO	fixed	immediate	fixed	no	RFQ	agent	new	specific
	REPO	fixed	immediate	floating	no	OTC		new	specific
	REPO	fixed	forward	fixed	no	OTC		new	specific
A	REPO	open	immediate	re-ratable	no	OTC		new+rerating	specific
в	REPO	open	immediate	floating	no	отс		new	specific
0	REPO	open	immediate	re-ratable	no	отс		new	basket ISIN onl
1	REPO	open	immediate	fixed	no	OTC	agent	new but collateral unknown on T	basket ISIN onl
2	REPO	fixed	immediate	re-ratable	no	отс		new	basket ISIN onl
3	REPO	fixed	immediate	fixed	no	ATS		new	ATS GC facility
4	REPO	fixed	immediate	fixed	no	ATS	clearing member	new	specific
5	REPO	fixed	immediate	fixed	no	OTC	clearing member	new (from prior repo)	specific
6	REPO	fixed	immediate	fixed	no	OTC	clearing member	new (from prior repo)	basket ISIN onl
7	REPO	fixed	immediate	fixed	no	ATS	clearing member	new (no prior repo)	basket ISIN onl
8	REPO	fixed	immediate	fixed	no	ATS	clearing member	new (no prior repo)	basket ISIN onl
0							creating member		
-	REPO	fixed	immediate	fixed	no	OTC		new+substitution	specific
	REPO	fixed	immediate	fixed	no	OTC		new+early termination	specific
	REPO	fixed	immediate	fixed	no	ATS		variation margin	specific
	REPO	open	immediate	re-ratable	evergreen	OTC		new+termination	specific
	REPO	fixed	immediate	re-ratable	evergreen	OTC		new+termination	specific
	REPO	fixed	immediate	re-ratable	evergreen	OTC		new+advance+termination	specific
	REPO	fixed	immediate	re-ratable	extendible	отс		new+extension (one-off & into new extendible)	specific
								· · · · · · · · · · · · · · · · · · ·	
_	REPO	fixed	immediate	fixed	no	OTC	central bank	new MiFIR reporting	specific
	REPO	fixed	immediate	fixed	no	OTC	central bank	new MiFIR reporting multiple securities	specific
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Capital Market Association								Life-cycle events of a repo	
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intra-day autoborrowing of securities from (I)CSD

accept partial delivery

using repo

option 1: by agreeing to accept a partial delivery pro tem and wait for full delivery or ma option 2: by agreeing to accept the partial delivery as final: implemented by termination & replacement of transaction with reduced size (contractual chennel) review

other than T2S (eg Euroclear UKICR

option 2.1: terr

Links:

- ICMA European Repo and Collateral Council
- Further details on the ERCC work in relation to SFTR
- SFTR public data (published weekly by ICMA)
- ESMA overview page on SFTR

Upcoming dates to note:

• **7 October:** Virtual <u>ERCC Annual General Meeting</u> (hosted by Equilend)