



European Securities and
Markets Authority

Consultation Paper

**Draft Guidelines on calculation of positions in SFTs by Trade
Repositories**



Responding to this paper

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex II. Comments are most helpful if they:

- respond to the question stated;
- indicate the specific question to which the comment relates;
- contain a clear rationale; and
- describe any alternatives ESMA should consider.

ESMA will consider all comments received by 15 September 2020.

All contributions should be submitted online at www.esma.europa.eu under the heading 'Your input - Consultations'.

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly and prominently indicate in your submission any part you do not wish to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure. A confidential response may be requested from us in accordance with ESMA's rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA's Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at www.esma.europa.eu under the heading '[Data protection](#)'.

Who should read this paper?

All interested stakeholders are invited to respond to this consultation paper. In particular, responses are sought from trade repositories (TRs), trade associations and the entities specified in Article 12(2) of Regulation (EU) 2015/2365 (SFTR).

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1 Legislative references, abbreviations and definitions

Legislative references

<i>SFTR</i>	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 ¹
<i>EMIR</i>	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 ²
<i>ESMA Regulation</i>	Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ³
<i>SFTR Reporting Guidelines</i>	Guidelines on Reporting under Articles 4 and 12 SFTR SFTR ⁴
<i>Guidelines on position calculation (EMIR)</i>	Guidelines on position calculation by trade repositories under EMIR ⁵
<i>RTS on data aggregation</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 ⁶
<i>RTS on reporting</i>	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

¹ OJ L 337, 23.12.2015, p. 1

² OJ L 201, 27.7.2012, p. 1

³ OJ L 331, 15.12.2010, p. 84.

⁴ ESMA70-151-2838 available at: https://www.esma.europa.eu/sites/default/files/library/esma70-151-2838_guidelines_on_reporting_under_sftr.pdf

⁵ ESMA70-151-1350 available at: <https://www.esma.europa.eu/document/guidelines-position-calculation-trade-repositories-under-emir>

⁶ OJ L 81, 22.3.2019, p. 30

securities financing transactions (SFTs) to be reported to trade repositories⁷

ITS on reporting

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 contracts⁸

RTS on registration

Commission Delegated Regulation (EU) 2019/359 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 the application for registration and extension of registration as a trade repository⁹

RTS on data access

Commission Delegated Regulation (EU) No 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 repositories¹⁰

Abbreviations

<i>ECB</i>	European Central Bank
<i>EEA</i>	European Economic Area
<i>ESMA</i>	European Securities and Markets Authority
<i>EU</i>	European Union
<i>FSB</i>	Financial Stability Board

⁷ OJ L 81, 22.3.2019, p. 1

⁸ OJ L 81, 22.3.2019, p. 85

⁹ OJ L 81, 22.3.2019, p. 45

¹⁰ OJ L 81, 22.3.2019, p. 22

ISO	International Organization for Standardization
ITS	Implementing Technical Standards
LEI	Legal Entity Identifier
NCA	National Competent Authority
NCB	National Central Bank
Q&A	Questions and Answers
RTS	Regulatory Technical Standards
SFTP	SSH File Transfer Protocol
SLA	Service Level Agreement
TR	Trade Repository
TRACE	System for single access to TR data
XML	Extensible Mark-up Language

Glossary of concepts and terms

1. “Positions” means the representation of exposures between a pair of counterparties that comprise the following sets defined under Named positions (Overview report, Loan Position Set, Collateral Position Set, Margin Set and Reuse Set) and pre-aggregated positions for FSB reporting.
2. “Outstanding SFTs” means those SFTs that have not matured or which have not been the subject of reports with action types ‘Error’, ‘Termination/Early termination’, or ‘Position component’ as referred to in Field 98 of Table 2 of Annex I to ITS on reporting.
3. “Variables” are those values either taken directly from the SFTR reporting fields or derived from those fields that will be used by TRs to calculate positions.
4. “Authority” means one of the entities referred to in Article 12(2) of SFTR.
5. “Metrics” are variables used to quantify the different calculations. The fields used to define metrics (and dimensions) follow the nomenclature as per the RTS and ITS on reporting. For instance, T1F17 means field 17 of table 1.
6. “Dimensions” are variables related to SFTs that are used to group SFTs together into positions.
7. “Reference Date” means the date the calculation refers to.



2 Executive Summary

Reasons for publication

This consultation paper on draft Guidelines sets out the relevant clarification to trade repositories with regards to the compliance with Article 4(6) of SFTR setting out a general requirement for TRs to calculate positions (by cross-reference to Article 80 of EMIR). Furthermore, Article 12(2) of SFTR requires TRs to collect and maintain details of SFTs (i.e., including positions) and Article 5 of RTS on data aggregation specifically requires TRs to calculate positions in SFTs in a harmonised and consistent manner. High-quality position data is necessary for the assessment of systemic risks to financial stability by the relevant authorities.

The proposed Guidelines cover two main types of aggregation – the named positions between counterparties and the sectorial positions for the purposes of FSB reporting.

The aim of the Guidelines is to ensure consistency of position calculation across TRs, with regard to the time of calculations, the scope of the data used in calculations, the treatment of outliers, the recordkeeping of data and the calculation methodologies.

These Guidelines will also ensure a consistent methodology is used under EMIR and SFTR, while still reflecting the specificities of SFT reporting.

Contents

Section 3 of the document determines the scope of the Guidelines, Section 4 provides the purpose for setting out Guidelines. Section 5 details general calculation specifications with regards to (i) reporting timeline, (ii) treatment of records with missing data, (iii) identification and treatment of records with outliers, (iv) algorithms used in calculations, (v) timeline for recordkeeping of data. Section 6 details the metrics, and their currencies, as well as the specific dimensions to be used into calculation of named positions. Section 7 provides clarifications on the data preparation, data aggregations and mapping of values for the purposes of FSB reporting. Annex I contains all the Guidelines and Annex II compiles the questions posed.

Next steps

The consultation will be open for 2 months from the date of publication. ESMA will consider the feedback it receives to the consultation with a view to finalising the proposed Guidelines and publishing a final report in Q4 2020/Q1-2021.

3 Scope

Who?

8. These Guidelines will apply to Trade Repositories as defined in Article 3(1) of SFTR and registered under Chapter III of SFTR.

What?

9. The adopted Guidelines will provide information to ensure harmonisation and consistency in relation to:
 - a) the calculations carried out by TRs and the format of provision of access to data pursuant to Article 5 of RTS on aggregation;
 - b) the level of access to positions provided by TRs to the entities included in Article 12(2) of SFTR with access to positions in line with Article 3 of RTS on data access;

When?

10. To ensure a smooth implementation of the Guidelines ESMA expects that TRs calculate positions in accordance with these Guidelines from 13 July 2021 onwards.

4 Purpose

11. The large volumes of data that ESMA expects to be reported will make it challenging for many authorities to swiftly process and analyse the data. This prevents authorities from being able to swiftly assess systemic risks to financial stability and quickly react in a crisis event.
12. The possibility for reporting counterparties to report their trades to different TRs poses a particular challenge for the establishment of a set of entity-level positions that is consistent, complete and coherent across entities and SFTs.
13. Specifically, each individual TR may only hold partial information on an entity's exposure with respect to any product and each of its counterparties. Hence, in some cases TRs can only calculate a partial *TR-level position* for any entity.
14. Therefore, the determination of an *overall entity-level position* requires an aggregation of the TR-level positions across several TRs. Overall entity-level positions should be determined by authorities and based on an aggregation of TR-level positions. Therefore consistency in TR-level position calculation is essential. TRs should use common conventions, rules, and methodologies for their SFTR trade reporting determinations and calculations.
15. Article 5 of RTS on data aggregation establishes the requirements in terms of the minimum data elements, format and timeline with regards to the SFT positions. These Guidelines therefore will set up a framework for TRs to provide these calculations following a consistent methodology.

16. The purpose of these Guidelines is as follows:
 - a. Ensure that relevant authorities are provided with consistent and harmonised positions in relation to SFTs; and
 - b. Ensure that data made available to authorities in the form of aggregations carried out by TRs is of a high standard.
 17. These Guidelines also leverage on the requirement under Article 1(1) of RTS on reporting that “[a] report made pursuant to Article 4(1) of Regulation (EU) 2015/2365 shall include the complete and accurate details set out in Tables 1, 2, 3 and 4 of the Annex that pertain to the SFT concerned.”, on the accurate reporting of the conclusion, modification and termination of an SFT as per section 4.9. of the SFTR Reporting Guidelines and on the correct reporting of CCP-cleared positions by counterparties as per section 4.3. of the SFTR Reporting Guidelines and that there is no double-counting between trade and position reports.
 18. Having considered the purpose of position calculations, the Guidelines establish two sets of positions – named positions and sectorial or FSB positions which should be produced for the relevant authorities that will undertake FSB reporting.
 19. The Guidelines establish high-level principles that should be followed by the TRs. Those principles are complemented by specific procedures to be followed to ensure the timely and accurate reporting of positions by TRs.
 20. ESMA expects the application of the clarifications included in these Guidelines to result in the following benefits:
 - a. reduce efforts to request this information sporadically and ensure that no information is omitted;
 - b. reduce processing time of information received;
 - c. ensure a level playing field in term of information to be provided by all TRs by establishing harmonised reporting;
 - d. ensure complete information that is necessary for ESMA’s risk-based supervision.
- Q1. Do you agree with the proposed approach to implementation? Please elaborate on the reasons for your response.**

5 General aspects

5.1 Reporting timeline

Guideline 1. TRs should include SFTs in the relevant position aggregate(s) from the moment in which they are reported, even though settlement might only take place in the future. This includes both the loan side and the collateral side of the trade, regardless of the respective value dates.

21. For example, the exposures arising from a 3-day repo concluded in T, with 100 in cash settled on T+1 and 110 in collateral settled on T+2, would be reported as in the table below, i.e. the full exposures appear from T.

Table 1 - Exposures		
Event date	Loan position set	Collateral position set
T	100	110
T+1	100	110
T+2	100	110
T+3	0	0

Q2. Do you foresee any additional option, that would represent SFT exposures more accurately? Please detail the reasons for your response.

22. Calculations need to be conducted according to a timeline that provides authorities with up-to-date information.
23. To achieve this objective, TRs should ensure that data used in calculations relates to the most recent trade state data that is available on the day of each calculation. For example, if a report is submitted to a TR on T+1, then that calculation should be carried out on the following day (T+2), capturing all the trade state data relating to Event date T submitted in accordance with the SFTR Reporting Guidelines. This will allow authorities to access data swiftly in the event of a crisis when the information on potential exposures would be of use.
24. Moreover, the SFTR Reporting Guidelines include a detailed specification how information should be reported and what to do in case of a reporting mistake made in the past that has to be corrected.
25. Furthermore, the SFTR Reporting Guidelines also include a specific reference regarding the reporting of the Event date for each specific action type. Except in the case of a settlement fail which would impact the maturity of the SFT as well as of the

reporting of re-use, the rest of the reporting should be done using the intended settlement date.

26. Finally, Article 5(4) RTS on aggregation requires that the TR provides the calculated positions at the earliest opportunity and no later than the working day following the receipt of an SFT report pursuant to Article 4(1) of SFTR.

Guideline 2. TRs should ensure that the calculations relate to the most recent full day's set of trade state data, considering the Event date reported by the counterparties in accordance with the SFTR Reporting Guidelines and following the requirements under Article 5(1) of ITS on reporting. Calculations should be updated on each business day, by clearly identifying the applicable reference date. TRs should also make the position available to authorities on the day of the calculation in line with the following steps:

Table 2 - Timeline		
#	Event	Day/time
1	End of Event date T	Day T
2	Retrieve appropriate FX reference rates on day T for purposes of converting SFTs where T2F57 (Market value) and T2F88 (Collateral market value) should be converted, to be applied when calculation is performed on day T+2.	Day T 16:00 UTC (17:00 CET)
3	Reporting entities to submit SFT reports to TRs relating to event date T	From Day T - Day T+1 23:59 (counterparty local time)
4	Deadline for submitting SFT reports to TRs relating to event day T	Day T+1 23:59 (counterparty local time)
5	TR calculation of positions based on the latest trade state of outstanding SFTs as of end of Event date T+1	Day T+2 00:00 – 23:59 UTC
6	Position reports based on Event date T are made available by the TR to the relevant authorities.	Day T+2 00:00 – 23:59 UTC

- Q3. Is there any additional aspect that needs to be clarified with regards to the timeline for provision of position data? Please detail the reasons for your response.**
- Q4. How should we consider the inclusion of SFTs in positions, when due to timezone difference, an SFT cannot be included in a position calculation for Event date T and it is reported on T+1? Please detail the reasons for your response.**

5.2 Missing data for fields which are metrics or dimensions

27. There will be occasions when counterparties misreport to TRs and the data that TRs use to calculate positions is inconsistent and therefore not useful for authorities. These SFTs may have been in line with the validation rules, however if they are still missing information then there is a risk that including the SFTs in a calculation will create inaccurate positions. This is particularly problematic in the case of the metrics where a missing value would not allow the calculation of a given aggregate value.
28. Based on the feedback received during the consultation on the Guidelines on position calculation under EMIR and considering the complexity involved, ESMA asked the TRs to exclude from calculations any reports that do not include data for required metrics or dimensions. This approach will ensure that the calculations available to authorities include all the information relevant to the SFTs in the calculation. If reports with missing values are still in line with validation rules, TRs should still exclude those reports from the calculations
29. ESMA is however aware that this approach might lead to substantial loss of position data when systemic risk is being assessed. Some alternatives could be:
- the inclusion of an 'NA' category in each dimension to compensate for this limitation,
 - a separate exclusions report for authorities which refers only to reports which did not include all required information for dimensions.
 - TRs to calculate mean/median figures for missing dimensions in reports, and then treating those SFTs as if they included the mean/median entry in the relevant field when calculating a position.

Guideline 3. Unless otherwise specified, TRs should exclude SFTs that have missing data for one of the required metrics or dimensions from all relevant calculations. TRs should do this even in instances where the reported SFT is in line with the validation rules.

- Q5.** Do you agree with the proposed approach for calculating positions and excluding SFTs which are missing one of the required metrics and dimensions? Alternatively, could you consider any of the proposed alternatives or propose some additional ways to calculate the SFT positions? Please detail the reasons for your response.

5.3 Identification and treatment of outliers

30. TRs should ensure that the data they aggregate is of sufficient quality to allow for useful analysis by authorities. As part of the obligations to ensure correctness and completeness of the SFT data and compliance with the SFTR reporting requirements, reporting counterparties and entities responsible for reporting should ensure that incorrect reports are corrected. TRs should put in place their own checks for identifying

outliers ahead of conducting the position calculations. The soft checks could be calibrated for specific SFT types.

31. Under EMIR, ESMA has not implemented currently a standardised approach to the detection of outliers. ESMA considered the use of standard deviations or standard errors, however the implementation of such processes was not standardised further. ESMA will supervise the methods implemented by TRs to detect outliers and work towards the definition of a common approach to determining outliers.
32. When counterparties report SFTs which TRs recognise as outliers, it is important that TRs have a consistent procedure to follow to address these mistaken SFT reports. Guideline 4 aims to ensure that the usability of the calculations is not impacted by outliers.

Guideline 4. A TR should have in place a robust procedure to identify abnormal values, i.e. outliers, relating to the SFTs it receives from counterparties. For a given position, a TR should calculate positions according to the metrics which exclude reports with outliers, and also the metrics which include all reports which meet the dimensions for each calculation.

- Q6. Do you agree with the establishment of a process for identification of outliers by the TRs? Please detail the reasons for your response.**
- Q7. Do you consider that this process should be further standardised across TRs? If so, what specific aspects and statistics should be considered? Please detail the reasons for your response.**

5.4 Algorithms used in calculations

33. It is important that TRs are consistent in their approach to calculations and that the guidelines for calculations are interpreted in the correct manner. ESMA should be able to easily access the procedures followed by TRs when calculating positions at all times. This will help ESMA quickly understand any potential inconsistencies or significant outliers in overall calculations.
34. It is therefore necessary for TRs to be able to provide (upon request) a version to ESMA of the procedures and relevant algorithms used to create the calculations described in these Guidelines. Some feedback to the consultation on Guidelines on position calculation (EMIR) suggested that ESMA should provide the algorithms for TRs to use to calculate positions. TRs use different software and one set of algorithms may not be appropriate for all TRs. Therefore ESMA has provided clear guidelines explaining what TRs are required to do to calculate positions. In the event that ESMA needs to review the approach taken by a TR to calculate positions, algorithms should be made available.

Guideline 5. Upon request from ESMA, a TR should have available at all times the calculation algorithms they use as well as the procedure(s) which they follow to produce each of the four datasets relating to the position calculations described in these Guidelines.

Q8. What additional aspects should be clarified with regards to the availability of algorithms for ESMA? Please detail the reasons for your response.

5.5 Record-keeping of position data

35. TRs should ensure that they provide access to positions in a consistent manner, following the format laid out in the Guidelines so that authorities are able to analyse data that is accurate and presented in a consistent fashion.

36. When a mistake has been made by a TR in a position calculation, including instances when a calculation was incorrect because of incorrect reporting to TRs by counterparties, the TR should ensure that subsequent calculations do not contain the same error.

37. Similar to the Guidelines on position calculation (EMIR), when the TR has caused the error, ESMA proposes that positions which were not correct historically should be re-calculated if they occurred in the last two years, but on a weekly basis, i.e. not every single calculation, rather just one calculation for each week during the period for which mistakes were made.

38. In the event that a reporting counterparty's incorrect report has caused the error in the position calculation, also in line with the Guidelines on position calculation (EMIR) ESMA proposes that TRs should not go back and recalculate all positions. Instead, TRs should provide authorities with a log of corrected observations and make the reports available to authorities upon request. This approach appears proportionate, as it would mean that calculations do not need to be re-run unless an authority specifically requested it.

Guideline 6. When TRs provide an authority with access to erroneous data, and the TR has caused the error itself, the data should be updated by the TR so that it is corrected as soon as it is possible and the erroneous calculations for the previous two years, as of the last working day of each week, should be re-reported correctly. When a mistake by a reporting counterparty, rather than the TR, has led to an incorrect calculation by a TR, all authorities should be notified, and given the opportunity to request an amended version of each calculation that was incorrect from the relevant TR.

39. Based on Guideline 6 it will be necessary to require TRs to maintain all the positions calculations that they have conducted for a given time period. Guideline 7 confirms the requirement.

Guideline 7. TRs should maintain a record of all the position calculations which they have calculated for at least two years.

Q9. Do you agree with the proposal to align the record-keeping of position calculations under SFTR with EMIR? What other aspects should be considered? Please detail the reasons for your response.

40. In the event that a counterparty or an entity responsible for reporting requests to migrate its data to a different TR, then all data related to that counterparty held by the TR will be migrated. This will allow for the new TR to calculate positions going forward, whilst the old TR should continue to maintain the calculations it previously made, up to the moment of transfer for the time period required in Guideline 7. In case that the counterparty requested the transfer of all SFTs, including the terminated ones or in the case of withdrawal of registration, the new TR should keep the previously calculated positions by the old TR for at least 2 years and follow Guideline 7 prospectively.

Guideline 8. TRs which receive data in line with the portability guidelines should keep the previously calculated positions transferred from the old TR for at least two years and follow Guideline 7 prospectively.

6 Named positions

41. The TRs are the market infrastructures underpinning the SFTR reporting and have a central function in ensuring accurate record-keeping under SFTR as well as the calculation of positions for authorities.
42. SFTR covers transactions that have economically equivalent effects. However, it also captures a set of markets that have their own structure, configuration, type of market participants, and dynamics. As a result, the financial stability risks that might arise from each market can be very different and may get blurred in overly broad aggregates.
43. The position-reporting logic set out below aims to balance the need for authorities to have a sufficient level of granularity with the resources required to process and analyse very large datasets. The position reports should avoid any double-counting to allow for simple aggregation of the reports produced by each TR.
44. To ensure the achievement of the objectives outlined in this report there is a need to establish a controlled and consistent process.
45. ESMA assessed the extent to which the various sets discussed later in this paper should be merged in a single set. One of the benefits of having a single calculation would be that an authority would have an immediate view of the exposures between a pair of counterparties.
46. As a result, to ensure that authorities have access to data that can be analysed in an effective manner TRs should calculate different positions that include different information.

47. The SFTR technical standards identify three types of reports. The counterparty and transaction one includes the four types of SFTs, while the other two concern specifically CCP margins and collateral reuse.
48. Each type of SFT involves a loan side and a collateral side of the transaction, which are connected with a linking mechanism to allow for separate updates¹¹ The positions (i.e. exposures) of each SFT market participant can be calculated using either side, with each side carrying a different set of relevant information.
49. However, consolidating the data into positions on the basis of transaction data is not an easy task. For example, a single security or portfolio of securities can be used to collateralise multiple repo transactions. Similarly, one portfolio of securities can be used to collateralise a margin loan and a repo (the rates and haircuts or margins that apply are calculated at portfolio level). This creates challenges for a) the calculation of consistent aggregates on the loan and collateral sides, without double-counting; and b) the production of reliable price-based estimates, e.g. weighted-average haircuts.
50. The proposed solution to address this is to produce five reports. The first three would aggregate the following information for each SFT type:
 - a. The **Overview Report** would allow authorities to get an immediate glance of the aggregate loan and collateral exposures between counterparties for each SFT type but include a limited number of fields.
 - b. The **Loan Position Set Report (LPR)** would aggregate data for all transactions pertaining to the *loan* side, by SFT type.
 - c. The **Collateral Position Set Report (CPR)** would aggregate data for all transactions pertaining to the *collateral* side, including collateralisation on net exposure basis, by SFT type.
51. A linking mechanism between the positions calculated in the LPR and CPR could be envisaged so that authorities can more easily link the loan-side aggregate(s) with the relevant collateral-side aggregate(s).
52. The fourth report would focus on the Margins reported in relation to the cleared SFTs. They will be provided at the level of each pair of entities and a portfolio code.
53. The fifth report would focus specifically on Collateral Reuse, reflecting the specificities in reporting this information under SFTR (which is already at entity level rather than transaction level). The reuse report cannot be split by SFT type as entities are not required to report this information.

¹¹ See SFTR Reporting Guidelines for further information: https://www.esma.europa.eu/sites/default/files/library/esma70-151-2838_guidelines_on_reporting_under_sftr.pdf

Guideline 9. When performing positions calculation identifying the counterparties to SFTs, the TRs should generate five separate positions reports. These reports are an overview report, a loan position report; a collateral position report; a margin report and a reuse report. These datasets should be uniquely identifiable and labelled with the relevant reference date. These reports should include the data referred to in Table 5.

54. As stated in the RTS on data aggregation, position-level reports should provide information on the current exposures between counterparties. Each position should be calculated on the basis of the latest trade state. A unique value should be calculated for each counterparty pair (E_i, E_j) , where $i \neq j$, and set of dimensions Z_k at time t , where t is a specific (business) day.
55. In addition to SFT types, exposures should be calculated separately based on the counterparty side (i.e. collateral provider vs. collateral taker) on a gross basis, so as to enable authorities to calculate net SFT exposures using their preferred netting set.

Guideline 10. With regards to the overview report, the loan position report, the collateral position report and the margin report, a unique value should be calculated for each counterparty pair (E_i, E_j) , where $i \neq j$, and set of dimensions Z_k at time t , where t is a specific event date.

6.1 Metrics

56. As in Guidelines on position calculation (EMIR), metrics are defined as the numeric variables that should be used to compute the aggregates for all transactions between different counterparties.
57. ESMA proposes to rely on two main types of SFT metrics:
 - a. Volume metrics: number of transactions, market exposures
 - b. Price metrics: interest rates, lending fees, haircuts
58. Price metrics should be calculated as weighted-averages.¹² The weights for interest rates and lending fees should be based on the variables indicated in Table 2 in the column Volume metrics from the loan side, while haircut weights would be based on the variables indicated in Table 2 in the column Volume metrics from the collateral side.
59. The full list of metrics proposed is detailed in Table 2 below, together with the relevant field name. Numbers in brackets correspond to the Table and Field number in the RTS on reporting.

¹² This approach differs from the FSB standards, which require exposures to be reported by buckets (e.g. 0.5% haircut increments). However, considering the distribution of rates, fees and haircuts, the FSB approach might lead to a very large number of buckets with small volumes. In the context of named-positions, weighted averages should provide a more simple and sufficiently accurate description of the price terms agreed between two counterparties.

Guideline 11. TRs should calculate the metrics included in Table 3 - metrics for positions. The price metrics should be calculated as weighted-averages, whereas the volume metrics should be calculated as a count of the number of UTIs and as a sum for each exposure variable and currency.

Table 3 - metrics for positions		
Dataset	Volume metrics	Price metrics
Overview Report	<u>Number of transactions:</u> UTI (2.1) ¹³ <u>Exposure:</u> Principal amount on value date (2.37) Principal amount on maturity date (2.38) Market value (2.57) Outstanding margin loan (2.69) Cash collateral amount (2.76) Collateral market value (2.88)	
Loan Report	<u>Number of transactions:</u> UTI (2.1) ¹⁴ <u>Exposure:</u> Repos: Principal amount on value date (2.37) BSB: Principal amount on value date (2.37) SLB: Loan Value (2.56) SLB: Market value (2.57) ML: Outstanding margin loan (2.69) + Short market value (2.71)	<u>Rates:</u> Repos: Fixed rate (2.23 weighted by 2.37); Floating rate (2.32 weighted by 2.37) ¹⁵ BSB: Principal amount on maturity date (2.38) divided by Principal amount on value date (2.37) minus 1 weighted by 2.37 ML: Fixed rate (2.23 weighted by 2.69 and 2.71); Floating rate (2.32 weighted by 2.69 + 2.71 for margin loans) ² <u>Fees:</u> Lending fee (2.67 weighted by 2.57)
Collateral Report	<u>Exposure:</u> Collateral market value (2.88) Cash collateral amount (2.76)	<u>Haircut:</u> Haircut or margin (2.89 weighted by 2.83 and/or 2.76) ^{16 3}
Margin report	<u>Exposure:</u> <u>Initial margin posted (3.8)</u>	

¹³ Unique Trade Identifiers (UTIs) are used to compute the number of transactions for repos and securities lending, and the number of existing bilateral margin lending relationships. This is not relevant for collateral reuse.

¹⁴ Idem.

¹⁵ Floating rates should be calculated only for the main reference market rates (see below).

¹⁶ Haircut or margin shall be weighted by collateral quantity or nominal amount (2.83) when non-cash collateral is used, otherwise by cash collateral amount (2.76). For SFT portfolios, since only one haircut value will be reported, the sum of cash and non-cash collateral should be used as weight.

Table 3 - metrics for positions		
Dataset	Volume metrics	Price metrics
	<u>Variation margin posted (3.10)</u> <u>Excess collateral posted (3.16)</u>	
Collateral reuse	<u>Non-cash:</u> Value of reused collateral (4.8) Estimated reuse of collateral (4.9) <u>Cash:</u> Reinvested cash amount (4.13)	<u>Rate:</u> Reinvestment rate (4.11 weighted by 4.13)

Guideline 12. The figures included in calculations should not be rounded, but the calculated position should be rounded to an appropriate figure.

Q10. Do you agree with the proposed approach to compute weighted-average prices and volumes? Do you agree with the proposed list of fields in Table 3 - metrics for positions for the computations? Please detail the reasons for your response.

6.2 Currency of metrics

60. All metrics should be represented in their original currency and in euros. For values reported in other currencies, aggregates would be calculated in euros as specified above, using ECB reference rates. Euro-equivalent amounts should be provided for all EEA currencies, and major currencies outside the EEA, while bucketing the residual amounts, based on the following list (ISO codes).¹⁷ Converting everything to euros will facilitate aggregation by the TRs, and by authorities across TRs.

61. The following currency buckets should be considered:

- a. EUR
- b. SEK
- c. DKK
- d. PLN
- e. CZK
- f. BGN
- g. HRK
- h. HUF

¹⁷ One alternative would be to rely on the exchange rate as of the day of the position report. While this would provide a more accurate picture of the current euro-denominated exposure, this may also result in inconsistencies for transactions in which the loan and the collateral sides are denominated in different currencies, resulting in inaccurate under- or over-collateralisation.

- i. RON
- j. GBP
- k. CHF
- l. NOK
- m. ISK
- n. USD
- o. JPY
- p. Other advanced aggregate (AUD, CAD, HKD, NZD, SGD, TWD) - only in EUR
- q. Rest of the world - only in EUR

Guideline 13. TRs should calculate positions in their original currency for all currencies issued by EEA Member States; for GBP, CHF, USD and JPY; and an EUR equivalent value based on the ECB reference rate for the given event date for all the aforementioned currencies. In addition, the TRs should calculate the EUR equivalent value of a bucket, including AUD, CAD, HKD, NZD, SGD and TWD and of a bucket of all the remaining currencies.

Q11. Do you agree with including in the report the original currency of the SFTs as well as its EUR equivalent monetary values? Do you consider that a different approach to bucketing should be considered? Please detail the reasons for your response.

6.3 Dimensions

- 62. The dimensions outline the fields that TRs would use to group calculations into buckets of SFTs with a similar set of characteristics.
- 63. Given the nature of each dataset, different dimensions need to be used. The proposed list of dimensions (and corresponding fields from the RTS and ITS on reporting) is outlined in Table 3 below. For collateral reuse, the fields from the SFTR Table of fields 2 would need to be extracted by the TRs using the ISIN of the securities.

Guideline 14. TRs should use the fields included in Table 4 - Proposed dimensions for position reports under SFTR (including the currencies of metrics) to calculate the respective position reports, namely the overview report, the loan report, the collateral report, the margin report and the reuse report. TRs should follow Guideline 15 to Guideline 21 for detailed instructions on the inclusion of the different dimensions. For the rest of dimensions, the data should be grouped in accordance with the reported values.

Table 4 - Proposed dimensions for position reports under SFTR (including the currencies of metrics)					
Dimensions¹⁸	Overview	Loan	Collateral	Margin	Reuse
Reporting counterparty (1.3), (3.4), (4.3)	X	X	X	X	X
Sector of the reporting counterparty	X	X	X		
Other counterparty (1.11), (3.6)	X	X	X	X	
Country of the other counterparty (1.12)	X	X	X		
Counterparty side (1.9)	X	X	X		
Tri-party agent (1.14)		X	X		
Agent lender (1.15)		X	X		
Type of SFT (2.4)	X	X	X		
Cleared (2.5)		X	X		
Trading venue (2.8)	X	X	X		
Master agreement type (2.9)	X	X	X		
Maturity date (2.14)		X	X		

¹⁸ Including also the currencies of the metrics

Table 4 - Proposed dimensions for position reports under SFTR (including the currencies of metrics)					
Dimensions ¹⁸	Overview	Loan	Collateral	Margin	Reuse
General collateral indicator (2.18)		X	X		
Open term (2.21)		X	X		
Rates					
- Fixed (2.23)		X			
- Floating (2.25)		X			
Principal amount currency (2.39)		X			
Price currency (2.50)		X			
Security quality (2.51)		X			
Security type (2.55)	X	X			
Base currency of outstanding margin loan (2.70)		X			
Collateralisation of net exposure (2.73)		X	X		
Type of collateral component (2.75), (4.6)	X		X		X
Cash collateral currency (2.77), (4.10)			X		X
Price currency (2.86)			X		X
Collateral quality (2.90)			X		X
Maturity date of the security (2.91)			X		X
Jurisdiction of the issuer (2.92)			X		X
Collateral type (2.94)	X		X		X

Table 4 - Proposed dimensions for position reports under SFTR (including the currencies of metrics)					
Dimensions¹⁸	Overview	Loan	Collateral	Margin	Reuse
TR to which the other counterparty reported ¹⁹	X	X	X		
Reconciliation status		X	X		
Portfolio code (2.97)		X			
Portfolio code (3.7)				X	
Type of re-invested cash investment (4.12)					X
Re-invested cash currency (4.14)					X

Q12. Do you consider that the key characteristics of SFTs are covered by the proposed list of dimensions in Table 4 - Proposed dimensions for position reports under SFTR (including the currencies of metrics)? If not, please indicate which other data fields should be considered and how those should be considered? Alternatively, do you consider that some dimensions could be excluded as they would not contribute to the better understanding of the outstanding exposures between SFTs? Please detail the reasons for your response?

Q13. Specifically in the case of the collateralisation on net exposure basis, do you think that the TRs should create separate positions for those SFTs without considering the counterparty side? Please detail the reasons for your response?

6.3.1 Country on the other counterparty and jurisdiction of the issuer

64. The inclusion of these two fields facilitates the analysis of exposures vis-a-vis counterparties from different countries and takes into account the relevant jurisdiction of the issuer of the securities used to collateralise the SFT. ESMA proposes to align this aggregation to the one relating to currencies. In this respect the following bucketing is proposed:

- a. Each EEA Member State
- b. United Kingdom (GB)
- c. Switzerland (CH)

¹⁹ Generated by the TRs

- d. United States (US)
- e. Japan (JP)
- f. Other advanced third country (AU, CA, CH, HK, NZ, SG, TW)
- g. Rest of the world

65. Alternatively, the information of this field could be included in the position reports without any transformation. While reducing the burden to the TRs, this will create some additional processing hurdles for authorities when analysing the position information.

Guideline 15. TRs should include the information about the country of the other counterparty and the jurisdiction of the issuer by including the following country code information: (a) for each EEA Member State; (b) for the United Kingdom, (c) for Switzerland, (d) for the United States, (e) for Japan, (f) a bucket of other advanced jurisdictions such as Australia, Canada, China, New Zealand, Singapore and Taiwan and (g) a bucket of the rest of the world.

Q14. Do you agree with the proposed bucketing? Should ESMA consider an alternative approach? Please detail the reasons for your response.

6.3.2 Entities participating in the SFTs

66. With regards to fields Tri-party agent (1.14) and Agent lender (1.15) in the position reports, ESMA would expect the TRs to flag (true or false) whether tri-party agents and agent lenders participated in the SFT or not, but not to identify each of them separately. This will provide a swift overview to authorities without any unnecessary detail. More detailed information facilitates market structure analysis, however ESMA understands that such analysis is better conducted with transaction level data.

Guideline 16. TRs should flag with TRUE or FALSE the participation of a Tri-party agent and an agent lender in the SFT.

Q15. Do you agree with the proposed inclusion of tri-party agents and agent lenders in the position reports? Please detail the reasons for your response.

6.3.3 Rates used

67. The rates and fees themselves will be used in the metrics to quantify the positions in accordance with the proposed approach in section 6.1.

68. When rates are used for the dimensions, however, the TRs should create separate positions for fixed and for floating rates.

69. Floating rates averages shall be calculated using the main reference rates at multiple tenors. Other reference rates would be bucketed together into one single aggregate:

- €STR
- Euribor (3M, 6M, other tenors)

- EUR OIS (Overnight Index Swap 1d, 1w, other tenors)
- GBP Libor (3M, 6M, other tenors) and the respective successor rate
- USD Libor (3M, 6M, other tenors) and the respective successor rate
- USD OIS (Overnight Index Swap 1d, 1w, other tenors)
- Other floating rates

Guideline 17. TRs should calculate separate positions for fixed-rate SFTs and for floating-rate ones. When calculating positions in floating-rate SFTs, the TRs should create the following buckets of rates and tenors of those rates:

- a. €STR
- b. Euribor (3M, 6M, other tenors)
- c. EUR OIS (Overnight Index Swap 1d, 1w, other tenors)
- d. GBP Libor (3M, 6M, other tenors) and the respective successor rate
- e. USD Libor (3M, 6M, other tenors) and the respective successor rate
- f. USD OIS (Overnight Index Swap 1d, 1w, other tenors)
- g. Other floating rates

Q16. Do you agree with the proposed list of benchmarks and tenors? Are there other key interest rate benchmarks that should be included? Please detail the reasons for your response.

6.3.4 Trading venue

70. With regards to the trading venues, ESMA understands that the positions should not include the most granular information on the MICs of the venues, but rather information on whether the SFT was concluded on-venue or off-venue. Similarly to the tri-party agents and agent lenders, a market structure analysis is better conducted with transaction level data, while for the purpose of calculation of exposures the identification of the trading venue bears less information. Its inclusion on the other hand, might risk increasing the number of positions to be analysed by authorities and prevent the identification of more important trends in exposures. However when the SFT is concluded on a non-EEA venue this should be identified. The TRs should use the information on venues published on the ESMA website.

Guideline 18. TRs should calculate positions with the following breakdown: (a) EEA on-venue, (b) non-EEA on-venue and (c) off-venue.

Q17. Do you agree with the proposed grouping of SFT positions based on the trading venue field? Please detail the reasons for your response.

6.3.5 Term of the SFT

71. The TRs are expected to calculate separate position for open-term SFTs and for fixed-term SFTs. In the case of fixed term SFTs, the **term or residual maturity of the SFT** would be calculated as the number of days between the first leg of the transaction and the maturity date. ESMA proposes to align to the extent possible with the bucketing already included in Guidelines on position calculation (EMIR), however having regard to the fact that SFTs are shorter-term transactions than derivatives. Therefore the following buckets are proposed:

- a. Overnight
- b. More than one day and less than one week
- c. More than one week and less than one month
- d. More than one month and less than three months
- e. More than three months and less than six months
- f. More than six months and less than one year
- g. More than one year

72. With regard to the overnight SFTs, ESMA will be interested whether and how to better define and treat those SFTs when there is a weekend. In addition, a due consideration should be given also to the fact whether overnight should be treated as referring to one working day in case there is a difference in working days between Member States.

73. Finally, ESMA has included the same Guideline on calculation of term of the SFT as the one existing under EMIR with regards to the months which have less days than the preceding one.

Guideline 19. TRs should use the following buckets to aggregate SFTs with similar values for term of the SFT and for maturity date of the security. Term of the SFTs and residual maturity of the security should be calculated as the difference between the SFTs Maturity Date and the reference date, based on a Gregorian calendar.

- a. Open term
- b. Overnight (1 working day)
- c. More than one day and less than one week
- d. More than one week and less than one month
- e. More than one month and less than three months
- f. More than three months and less than six months
- g. More than six months and less than one year
- h. More than one year

Guideline 20. In the event that a SFT (or the security used to collateralise this SFT) has a maturity date which does not exist in the month of the reference date (i.e. 29, 30, 31 month dependent), the decision for which maturity bucket that SFT should be included in should be made by treating that SFT in the same way as if the calculation were being made on the maturity day for the month of the reference date. For example if a SFT position calculation has a reference date of 31 January and the SFT (or the security used to collateralise this SFT) matures on 28 February, that SFT (or the security used to collateralise this SFT) should be included in the 'One month or less' maturity bucket. If a reference date is on 31 January and the maturity date is 1 March then that SFT (or the security used to collateralise this SFT) should be included in the 'More than one month but no more than three months' maturity bucket. If a calculation's reference date is on 30 April, and the SFT (or the security used to collateralise this SFT) matures on 31 May then that SFTs (or the security used to collateralise this SFT) should be included in the 'One month or less' maturity bucket.

Q18. Do you agree with the proposed bucketing regarding maturity dates? What additional aspects should be considered when calculating the term of the SFTs and the residual maturity of the securities used to collateralise that SFT? Please detail the reasons for your response.

6.3.6 Reconciliation status

74. When calculating the SFT positions the TRs should make use of the information on reconciliation status of the SFTs in accordance with Table 3 of Annex I of the RTS on

data aggregation. This will allow the authorities to better understand the calculated positions.

75. Alternatively some grouping could be performed in order to reduce the number of separate positions. For instance, only three separate entry could exist, such as “not subject to reconciliation”, “paired” and “reconciled”.

[Guideline 21](#). TRs should calculate separate positions depending on the reconciliation status of the SFT attributed in accordance with the values included in Table 3 of Annex I of RTS on data aggregation.

Q19. Do you agree with the inclusion of all values on reconciliation status or additional grouping should be performed? Please detail the reasons for your response.

6.4 Summary of metrics and dimensions to be included in the positions reports

Table 5 - Set of variables for position reports under SFTR					
Variable	Overview	Loan	Collateral	Margin	Reuse
Reporting counterparty (1.3)	x	x	x	x (3.4)	x (4.3)
Sector of the reporting counterparty	x	x	x		
Other counterparty (1.11)	x	x	x	x (3.6)	
Country of the other counterparty (1.12)	x	x	x		
Counterparty side (1.9)	x	x	x		
Tri-party agent (1.14)		x	x		
Agent lender (1.15)		x	x		
Count of UTI (2.1)	x				
Type of SFT (2.4)	x	x	x		
Cleared (2.5)		x	x		
Trading venue (2.8)	x	x	x		
Master agreement type (2.9)	x	x	x		

Table 5 - Set of variables for position reports under SFTR					
Variable	Overview	Loan	Collateral	Margin	Reuse
Maturity date (2.14)		X	X		
General collateral indicator (2.18)		X	X		
Open term (2.21)		X	X		
Rates	X				
- Fixed		X			
- Floating	X	X			
- BSB calculated	X	(Repo, BSB, ML)			
Lending fee (2.67)		X			
Principal amount on value date (2.37)	X	X (Repo and BSB)			
Principal amount currency (2.39)		X			
Price currency (2.50)		X			
Security quality (2.51)		X			
Security type (2.55)	X	X			
Market value (2.57)	X	X (SLB)			
Outstanding margin loan (2.69)	X	X (ML)			
Base currency of outstanding margin loan (2.70)		X			
Short market value (2.71)		X (ML)			
Collateralisation of net exposure (2.73)		X	X		
Type of collateral component (2.75)	X		X		X (4.6)

Table 5 - Set of variables for position reports under SFTR					
Variable	Overview	Loan	Collateral	Margin	Reuse
Cash collateral amount (2.76)	x		x		
Cash collateral currency (2.77)			x		x (4.10)
Price currency (2.86)			x		x
Collateral market value (2.88)	x		x		
Haircut or margin (2.89 weighted by 2.83 and/or 2.76)			x		
Collateral quality (2.90)			x		x
Maturity date of the security (2.91)			x		x
Jurisdiction of the issuer (2.92)			x		x
Collateral type (2.94)	x		x		x
TR to which the other counterparty reported	x	x	x		
Reconciliation status		x	x		
Portfolio code (2.97)		x		x (3.7)	
Initial margin posted (3.8)				x	
Variation margin posted (3.10)				x	
Excess collateral posted (3.16)				x	
Value of reused collateral (4.8)					x
Estimated reuse of collateral (4.9)					x
Reinvestment rate (4.11 weighted by 4.13)					x
Type of re-invested cash investment (4.12)					x

Table 5 - Set of variables for position reports under SFTR						
Variable		Overview	Loan	Collateral	Margin	Reuse
Re-invested amount (4.13)	cash					x
Re-invested currency (4.14)	cash					x

7 Reporting to the FSB

7.1 Introduction and general remarks

76. On 18 November 2015, the FSB published the report “Transforming Shadow Banking into Resilient Market-based Finance Standards and processes for global securities financing data collection and aggregation”²⁰ that sets out the finalised standards and processes for global securities financing data collection and aggregation for reporting of aggregates by national/regional authorities to the FSB as well as recommendations to national/regional authorities related to the collection of data from market participants.
77. With respect to the first requirement (reporting to the FSB of authorities²¹) position reports will play a pivotal role to provide an EEA-wide standardized reporting to the FSB using the data processing capabilities of TRs. In addition, this alleviates the burden on authorities to make the calculation on their own.
78. Moreover, as included in Article 5(5) of RTS on data aggregation “A trade repository shall provide the entities referred to in Article 12(2) of Regulation (EU) 2015/2365 with access to aggregate level data, pursuant to the access to data specified in Delegated Regulation (EU) 2019/357 and calculated in accordance with commonly agreed standards and processes for the global collection and aggregation of SFT data.”
79. Finally, to alleviate the implementation at the TRs, the use of ISO 20022 XML messages is proposed.

Guideline 22. For the FSB positions the TRs should provide the relevant aggregation in an XML template in accordance with the ISO 20022 methodology.

Q20. Do you agree with the use of ISO 20022 XML messages for the FSB positions? Please provide the reasoning for your answer.

80. Currently it is envisaged that all authorities that have access to SFTR data should be able to obtain the named positions defined in the previous sections. Indeed the FSB positions might be only of interest for authorities that need to report to the FSB. However these FSB positions could serve as a valuable source for risk monitoring at NCA/NCB level. Therefore it is currently foreseen to give all authorities access to these positions.

Q21. Do you agree that the FSB reports should be calculated for all authorities (i.e. also NCAs/NCBs that are not mandated to report the FSB) for risk monitoring purposes? Please elaborate on the relevant cost aspects. Please detail the reasons for your response.

²⁰ See <https://www.fsb.org/wp-content/uploads/FSB-Standards-for-Global-Securities-Financing-Data-Collection.pdf> for the report.

²¹ Authorities in this context are “supervisory authorities, central banks and other government bodies who are responsible for implementing a national/regional data collection as a member of FSB”.

7.2 Data preparation and enrichment

81. The data preparation steps above partially overlap with the definitions of named positions above hence a part of the Guidelines apply as well. These are reflected in the following Guideline.

Guideline 23. For the FSB positions the TRs should follow Guideline 1 to Guideline 8, except Guideline 2 which does not apply to Table 7 with regards to trade activity data.

82. The FSB mandates aggregations on following transactions types: repos/reverse repos, securities lending and margin lending. The table structure categorized by these transaction types are introduced in the following Guideline.

Guideline 24. For the FSB positions the TRs should generate data sets for repos and reverse repos (four tables), securities lending (three tables) and margin lending (three tables). These data sets should be uniquely identifiable and labelled with the relevant reference date.

83. The FSB mandated reporting is following a strict location approach, this approach contrasts the one foreseen under SFTR where also branches of multinational firms in third countries are included in the named positions. As branches in third countries of EU entities are expected to report under the local requirements this would result in double counting. Hence the SFTs concluded by those branches are excluded from the calculation.

Guideline 25. For the FSB positions TRs should filter the data for each authority in accordance with the requirements for the relevant FSB aggregates. Each authority should be provided with FSB positions for the reporting counterparties established in the Member State or the euro area or the Union or branches of third country entities operating thereof. For the FSB positions, the SFTs concluded by third-country branches of EU counterparties should not be considered.

84. Many of the metrics requested by the FSB should be denominated in USD as the FSB needs to be able to aggregate them globally. To ensure harmonized currency conversion approach it is envisaged to mandate the usage of the free currency rates provided by the ECB. As these rates are provided only for currencies against the EUR TRs should use currency triangulation for the final conversion to USD.

Guideline 26. For the FSB positions currency conversions TRs should use the official conversion rates from the ECB (“Euro foreign exchange reference rates”) where possible. Rates not covered by the ECB (such as TWD) should be gathered from other trustable rate sources.

Q22. Do you agree with usage of the ECB conversion rates? Are you aware any other public data source providing conversion rates for further currencies?

85. Contrary to the previously outlined procedures on pairing and reconciliation (using the UTI) the FSB favors a different approach to account for pairing and reconciliation. This decision reflects the different reporting frameworks throughout the world and is based on halving relevant metrics. Therefore, TRs should decide on the basis of the LEIs of the counterparty pair whether a record is subject to double reporting (i.e. the entities are located within the same jurisdiction are subject to double reporting).

Guideline 27. For the FSB positions TRs should halve volume metrics if they are stemming from records that are subject to double reporting (i.e. records within the same jurisdiction). Further TRs should apply this adjustment before they calculate the average-weight price metrics. Price and count metrics are not halved.

7.3 Data element mapping of SFTR data and FSB reporting

86. The FSB defines its own maturity buckets based on the transaction/collateral and the timedelta to be assessed. The buckets and the values are defined in the following two Guidelines based on the Securities Financing Transactions Reporting Guidelines²².

Guideline 28. For the FSB positions TRs should introduce following maturity buckets:

- a. Open or continuing terms contracts for which no maturity date is specified with the value: "OPEN".
- b. Including 1-day term trades or longer that mature the next business day with the value "ON".
- c. From 2 days to 1 week with value "2D1W". From over 1 week to 1 month with value "1W1M".
- d. From over 1 month to 3 months with value "1M3M".
- e. From over 3 to 12 months with value "3M12M".
- f. Everything over 12 Month with value "1YOV".

²² Accessible under <https://www.fsb.org/2018/03/securities-financing-transactions-reporting-guidelines/>.

Guideline 29. For the FSB positions TRs should introduce following maturity buckets for collateral data elements:

- a. Below one month with the value "LT1M".
- b. More than 1 month and up to 3 months with the value "1M3M". More than 3 months and up to 1 year with the value "3M12M".
- c. More than 1 year and up to 5 years with the value "1Y5Y".
- d. More than 5 and up to 10 years with the value "5Y10".
- e. More than 10 year with the value "10YO".
- f. Not applicable (e.g. equity instruments, perpetual bonds, margin loans without fixed maturity, etc.) with the value "NONE".

Guideline 30. For the FSB positions TRs provide the results of the calculation maximum two days after the reference date so the authorities have enough time to submit them to the FSB.

87. While for the named positions the entity and its respective LEI play a crucial role for the day to day supervision of each entity the FSB monitoring is based on sector aggregates. Therefore TRs need to map each LEI into to a FSB sector. This mapping should be done using the most recent information and the information provided in Table 6.
88. If the sector information is conflicting (e.g. an entity is reporting itself as being active in different sectors) the TRs should use a different approach depending whether they need to classify the sector on the basis of Reporting counterparty (1.4) or Other counterparty (1.11):
 - a. The more straightforward case is the LEI of the Reporting counterparty (1.4) where the sector mapping is done as self reported, so records coming from one entity can be classified into different sectors.

- b. The second case is the usage of the information from the field Other counterparty (1.11) where the sector mapping needs to be derived from the self-reporting of the entity in Reporting counterparty (1.4) (assuming that the entity is reporting). If this self-reported information is conflicting (i.e. this entity reports its belongs to multiple sectors) the TRs should weight the volume metrics to establish the most dominating sector classification with the highest volume and assign this entity to only this sector.

Table 6 - Mapping of fields sector of the reporting counterparty (1.5) or additional sector classification (1.6) to the FSB sectors			
Sector of the reporting counterparty (1.5)	Additional sector classification (1.5)	FSB sector name	Value
"CDTI"		Banks (SNA: deposit-taking corporations) with the value	"S1220"
"INVF"		Broker-dealers and investment firms with the value	"S1252"
	"MMFT"	MMFs	"S1230"
	"ETFT"	ETFs	"S1241"
	"REIT"	REITs	"S1242"
"CCPS"		CCPs	"S1253"
"UCIT" or "AIFD"	<empty> or <NA>	Other investment funds	"S1243"
"INUN" and "REIN"		Insurance/re-insurance corporations	"S1281"
"ORPI"		Pension funds, retirement, charitable and non-profit	"S1290"
"O"		General government	"S1300"
<not classified into categories defined above>	<not classified into categories defined above>	Non-financial corporations (including public non-financial corporations, large corporate and small-medium enterprises) and other sectors	"S1100"

Guideline 31. For the FSB positions TRs should generate a mapping between the LEI and the FSB sector definition using the most recent trade state data. This mapping should be done according to Table 6 and using following the fields Reporting counterparty (1.3) and Sector of the reporting counterparty (1.5) and Additional sector classification (1.5). The names of sectors should be used as values in the final aggregation. Following FSB-sectors need to be distinguished:

- a. Banks (SNA: deposit-taking corporations) with the value “S1220”.
- b. Broker-dealers and investment firms with the value “S1252”.
- c. MMFs with the value “S1230”.
- d. ETFs with the value “S1241”.
- e. REITs with the value “S1242”.
- f. CCPs with the value “S1253”.
- g. Other investment funds with the value “S1243”.
- h. Insurance/re-insurance corporations with the value “S1281”.
- i. Pension funds, retirement, charitable and non-profit with the value “S1290”.
- j. General government with the value “S1300”.
- k. Non-financial corporations (including public non-financial corporations, large corporate and small-medium enterprises) and other sectors with the value “S1100”.

Q23. Which public and non-public sources of the LEI to sector mapping could be used to classify entities not reporting under SFTR? Please elaborate further on the proposed source.

89. Similar to the previous Guidelines the FSB foresees a mapping of values which they expect in their data to classify their dimensional data elements. As the mapping of the other fields is more straightforward and could be potentially adjusted by the FSB in the future it is not mirrored in this document. Instead the TRs should produce and use their own mapping. The document defining the FSB values can be accessed freely²³.

Guideline 32. For the FSB positions, for all the dimensions that are not covered in the previous Guidelines TRs should generate and implement a mapping between the values that are reported under SFTR and the values that should be reported to FSB. For the mapping TRs should use the latest version of the document “Securities Financing Transactions: Reporting guidelines” from the FSB.

Q24. What additional aspects related to the aggregations for FSB reporting should be clarified? Please detail the reasons for your response.

²³ Please see on the following webpage <https://www.fsb.org/2018/03/securities-financing-transactions-reporting-guidelines/>.

7.4 Report Structure

90. This subsection defines the data elements and calculation steps to calculate the FSB positions. The definitions for dimensions and metrics from paragraphs 5 and 6 of these Guidelines are used. This further applies to the term “reference date” clarified in paragraph 7.
91. For each transaction type (repo & reverse repo/ securities lending/ margin lending) three tables are provided:
- a. Filter and data source: this table defines the how the data should be pre-filtered additional to the respective Guidelines above. The data source defines which data set should be used to perform the calculation (trade activity or trade state).
 - b. Proposed dimensions: the dimensions how the report should be broken down into different data elements. Further this table mandates the calculation rules that should be applied to beforehand as the SFTR data elements do not fully mirror the FSB data elements.
 - c. Proposed metrics: This table provides the definition of the quantitative information that should be generated by the TRs. Similar to the dimensions some calculations need to be performed on the quantitative information reported, most notably the currency conversion and the halving (volume metrics) of the quantitative information of records subject to double reporting.

7.4.1 Repos and reverse repos

[Guideline 33](#). TRs should use the dimensions included in [Table 8](#) and the metrics used in [Table 9](#) to calculate the respective repo FSB positions using the data sources and filters of [Table 7](#). TRs should follow [Guideline 23](#) to [Guideline 31](#) for detailed instructions on data preparation.

Q25. Do you understand and agree with the proposed mapping for repo and reverse repo of the FSB reporting guidelines? If not, please detail further.

Table 7 - Filter and data source for the FSB repos and reverse repos positions.			
Data Field	FSB Table 2 (reverse repos, loans flow)	FSB Table 3 (reverse repos and repos, loans stock)	FSB Table 4 (reverse repos and repos, collateral stock data)
Data Source	Trade activity data	Trade state data	Trade state data
Filter	Executed within the last months (based on Execution Timestamp (2.12)) and Type of SFT (2.4) is reported with "SBSC" or "REPO"	Type of SFT(2.4) is reported with "SBSC" or "REPO"	Type of SFT(2.4) is reported with "SBSC" and "REPO"

Table 8 - Proposed dimensions for the FSB repos and reverse repos positions.				
Data Field	Calculation rules	FSB Table 2 field names (reverse repos, loans flow)	FSB Table 3 field names (reverse repos and repos, loans stock)	FSB Table 4 field names (reverse repos and repos, collateral stock data)
	Table identifier for the three tables is as follow: "T02"; "T03"; "T04"	Reporting Table	Reporting Table	Reporting Table
	The month and year for which the data was prepared.	Reporting period		
	Reference Date as explained in paragraph 7		Reference Date	Reference Date
Execution Timestamp (2.12) Maturity date (2.14)	Timedelta between Execution Timestamp and Maturity Date in breakdowns as defined under Guideline 28	Original Maturity		
Principal amount currency (2.39)		Currency		
Reference Date (Data date)			Reference Date	Reference Date
Type of SFT (2.4)			Type of Contract	Type of Contract
Reporting counterparty (1.4) or Other counterparty (1.11)	If the Counterparty side (1.9) reported as "TAKE" then use LEI "Other counterparty" if reported as "GIVE" use LEI "Reporting counterparty". The classification of		Sector of the reporting party to a trade	Sector of the reporting party to a trade

Table 8 - Proposed dimensions for the FSB repos and reverse repos positions.				
Data Field	Calculation rules	FSB Table 2 field names (reverse repos, loans flow)	FSB Table 3 field names (reverse repos and repos, loans stock)	FSB Table 4 field names (reverse repos and repos, collateral stock data)
	the LEI according to Guideline 31			
Reporting counterparty (1.4) or Other counterparty (1.11)	If Cleared (2.5) is TRUE use value " S1253" otherwise check If the Counterparty side (1.9) reported as "GIVE" then use LEI "Other counterparty " if reported as "TAKE" use LEI "Reporting counterparty". The classification of the LEI according to Guideline 31		Counterparty Sector	Counterparty Sector
Agent lender (1.18) Broker (1.15)	If no LEI in field Agent lender (1.18) or Broker (1.15) use value "principal-to-principal" if LEI is found in one of both fields, use value "intermediation of an agent".		Market Segment - Trading	
Cleared (2.5)	If reported as "TRUE" then use value " centrally cleared" otherwise use		Market segment - clearing	Market segment - clearing

Table 8 - Proposed dimensions for the FSB repos and reverse repos positions.				
Data Field	Calculation rules	FSB Table 2 field names (reverse repos, loans flow)	FSB Table 3 field names (reverse repos and repos, loans stock)	FSB Table 4 field names (reverse repos and repos, collateral stock data)
	value "not centrally cleared"			
Reporting counterparty (1.3)	If the Counterparty side (1.9) reported as "GIVE" then use LEI "Other counterparty " if reported as "TAKE" use LEI "Reporting counterparty". Extract the ISO 3166 country code of the legal country from the resulting LEI		Counterparty Jurisdiction	Counterparty Jurisdiction
Maturity date (2.14)	Timedelta between Reference Date and Maturity Date in breakdowns as defined under Guideline 28		Residual Maturity	
Collateral quality (2.90)				Collateral Quality
Currency of collateral nominal amount (2.85)				Collateral Currency
Maturity date of the security (2.91)	Timedelta between Reference Date and Maturity Date in breakdowns as			Collateral residual maturity

Table 8 - Proposed dimensions for the FSB repos and reverse repos positions.				
Data Field	Calculation rules	FSB Table 2 field names (reverse repos, loans flow)	FSB Table 3 field names (reverse repos and repos, loans stock)	FSB Table 4 field names (reverse repos and repos, collateral stock data)
	defined under Guideline 29			
Tri-party agent (1.14)	If filled with LEI value "tri-party agent" otherwise with value "bilateral"			Collateral Management
Availability for collateral reuse (2.95)				Collateral re-use eligibility
Type of collateral component (2.75)				Collateral type
Jurisdiction of the issuer (2.53)				Jurisdiction of the issuer of the underlying security
Fixed rate (2.23) or Floating rate (2.23)	Bucketed into 0.1% buckets (e.g. 4.9% - 4.8%)			Repo Rate
Haircut or margin (2.89)	Bucketed into 0.1% buckets (e.g. 4.9% - 4.8%)			Haircut

Table 9 - Proposed metrics for the FSB repos and reverse repos positions.					
Data Field	Metric Type	Calculation rules	FSB Table 2 (field names)	FSB Table 3 (field names)	FSB Table 4 (field names)
UTI (2.1)	Count	Number of unique UTI (2.1)	Number of transactions		

Table 9 - Proposed metrics for the FSB repos and reverse repos positions.					
Data Field	Metric Type	Calculation rules	FSB Table 2 (field names)	FSB Table 3 (field names)	FSB Table 4 (field names)
Principal amount on the value date (2.37)	Volume		Principal amount		
Principal amount on the value date (2.37)	Volume	Converted to USD with rate from the reference date		Principal amount	
Collateral market value (2.88)	Volume				Collateral market value

7.4.2 Securities lending

Guideline 34. TRs should use the dimensions included in Table 11 and the metrics used in Table 12 to calculate the respective securities lending FSB positions using the data sources and filters of Table 10. TRs should follow Guideline 23 to Guideline 31 for detailed instructions on data preparation.

Q26. Do you understand and agree to the securities lending mapping of the FSB reporting guidelines? If not please detail further.

Table 10 - Filter and data source for the FSB securities lending positions.			
	FSB Table 5 (securities lending and borrowing – loan stock data)	FSB Table 6 (securities lending and borrowing – collateral stock data)	FSB Table 7 (securities lending and borrowing – cash collateral reinvestments)
Data Source	Trade state data	Trade state data	Trade state data
Filter	Type of SFT(2.4) is reported with “SLEB”	Type of SFT(2.4) is reported with “SLEB”	Type of SFT(2.4) is reported with “SLEB”

Table 11 - Proposed dimensions for the FSB securities lending positions				
Data Field	Calculation rules	FSB Table 5 field names (securities lending and borrowing – loan stock data)	FSB Table 6 field names (securities lending and borrowing – collateral stock data)	FSB Table 7 field names (securities lending and borrowing – cash collateral reinvestments)
	Table identifier for the three tables as follow: "T05"; "T06"; "T07"	Reporting Table	Reporting Table	Reporting Table
	Reference Date as explained in paragraph 7	Reference Date	Reference Date	Reference Date
Exclusive arrangements (2.68)	If reported as "TRUE" then use value "Exclusive" otherwise use value "Non-Exclusive"	Type of Contract		
Counterparty side (1.9)	If reported as "TAKE" then use value "Securities lending" if reported as "GIVE" use value "Securities borrowing"	Position	Position	
Price currency (2.50)		Currency		
Reporting counterparty (1.4) or Other counterparty (1.11)	If the Counterparty side (1.9) reported as "TAKE" then use LEI "Other counterparty" if reported as "GIVE" use LEI "Reporting counterparty". The	Sector of the reporting party to a trade	Sector of the reporting party to a trade	Sector of the reporting party to a trade

Table 11 - Proposed dimensions for the FSB securities lending positions				
Data Field	Calculation rules	FSB Table 5 field names (securities lending and borrowing – loan stock data)	FSB Table 6 field names (securities lending and borrowing – collateral stock data)	FSB Table 7 field names (securities lending and borrowing – cash collateral reinvestments)
	classification of the LEI according to Guideline 31			
Reporting counterparty (1.4) or Other counterparty (1.11)	If the Counterparty side (1.9) reported as “TAKE” then use LEI “Other counterparty ” if reported as “GIVE” use LEI “Reporting counterparty”. The classification of the LEI according to Guideline 31	Counterparty Sector	Counterparty Sector	Counterparty Sector
Agent lender (1.18) Broker (1.15)	If no LEI in field Agent lender (1.18) and Broker (1.15) use value “principal-to-principal” if LEI is found in one of both fields use value “intermediation of an agent”.	Market Segment - Trading		
Cleared (2.5)	If reported as “TRUE” then use value “centrally cleared” otherwise use value “not	Market segment - clearing	Market segment - clearing	

Table 11 - Proposed dimensions for the FSB securities lending positions				
Data Field	Calculation rules	FSB Table 5 field names (securities lending and borrowing – loan stock data)	FSB Table 6 field names (securities lending and borrowing – collateral stock data)	FSB Table 7 field names (securities lending and borrowing – cash collateral reinvestments)
	centrally cleared”			
Reporting counterparty (1.3)	ISO 3166 country code of the legal country from the LEI	Counterparty Jurisdiction	Counterparty Jurisdiction	Counterparty Jurisdiction
Maturity date (2.14)	Timedelta between Reference Date and Maturity Date in breakdowns as defined under Guideline 28	Residual Maturity		
Security quality (2.51)			Collateral Quality	
Price currency (2.50)			Collateral Currency	Collateral Currency
Maturity of the security (2.52)	Timedelta between Reference Date and Maturity Date in breakdowns as defined under Guideline 29		Collateral residual maturity	
Tri-party agent (1.14)	If filled with LEI value “tri-party agent” otherwise with value “bilateral”		Collateral Management	
Availability for collateral reuse (2.95)			Collateral re-use eligibility	

Table 11 - Proposed dimensions for the FSB securities lending positions				
Data Field	Calculation rules	FSB Table 5 field names (securities lending and borrowing – loan stock data)	FSB Table 6 field names (securities lending and borrowing – collateral stock data)	FSB Table 7 field names (securities lending and borrowing – cash collateral reinvestments)
Security type (2.55) or Cash collateral amount (2.76)	If Cash collateral amount (2.76) is filled with a number use “Cash collateral” otherwise use value from the field Security type (2.55)		Collateral type	
Security type (2.55)		Type of Security lent or borrowed		
Jurisdiction of the issuer (2.53)			Jurisdiction of the issuer of the underlying collateral	
Type of re-invested cash investment (4.12)			Cash collateral reinvestment type	
Lending fee (2.67)	If Security type (2.55) is filled use Lending fee bucketed into 0.1 % buckets (e.g. 1,3-1,4%) otherwise NA	Securities lending fee/premium		
Fixed rebate rate (2.58)	If Cash collateral amount (2.76) is filled with a number use Fixed rebate rate (2.58 Fixed rebate rate) into 0.1 % buckets	Rebate Rate		

Table 11 - Proposed dimensions for the FSB securities lending positions				
Data Field	Calculation rules	FSB Table 5 field names (securities lending and borrowing – loan stock data)	FSB Table 6 field names (securities lending and borrowing – collateral stock data)	FSB Table 7 field names (securities lending and borrowing – cash collateral reinvestments)
	(e.g. 1,3-1,4%) otherwise NA			
Haircut or margin (2.89)	Bucketed into 0.1% buckets (e.g. 4.9% - 4.8%)		Haircut	
Reinvestment rate (4.11)	Bucketed into 0.1% buckets (e.g. 4.9% - 4.8%)			Cash collateral reinvestment rate

Table 12 - Proposed metrics for the FSB securities lending positions					
Data Field	Metric Type	Calculation rules	FSB Table 5 field names (securities lending and borrowing – loan stock data)	FSB Table 6 field names (securities lending and borrowing – collateral stock data)	FSB Table 7 field names (securities lending and borrowing – cash collateral reinvestments)
Market Value (2.57)	Volume	Converted to USD with rate from the reference date	Amount of securities lent or borrowed		
Market Value (2.57)	Volume			Collateral market value	
Re-invested cash amount (4.13)	Volume	Converted to USD with the rate from reference date			Cash collateral reinvestment

7.4.3 Margin lending

Guideline 35. TRs should use the dimensions included in Table 14 and the metrics used in Table 15 to calculate the respective margin lending FSB positions using the data sources and filters of Table 13. TRs should follow Guideline 23 to Guideline 31 for detailed instructions on data preparation.

Q27. Do you understand and agree to the margin lending mapping of the FSB reporting guidelines? If not please detail further.

Table 13 - Filter and data source for the FSB margin lending positions.			
	FSB Table 8a (margin lending – loan stock data)	FSB Table 8b (margin lending– free credit balances and short market values)	FSB Table 9 (margin lending – collateral portfolios)
Data Source	Trade state data	Trade state data	Trade state data
Filter	Type of SFT(2.4) is reported with “MGLD”	Type of SFT(2.4) Is reported with “MGLD”	Type of SFT(2.4) is reported with “MGLD”

Table 14 - Proposed dimensions for the FSB margin lending positions.				
Data Field	Calculation rules	FSB Table 8a field names (margin lending – loan stock data)	FSB Table 8b field names (margin lending – free credit balances and short market values)	FSB Table 9 field names (margin lending – collateral portfolios)
	Table identifier for the three tables is as follow: "T8A"; "T8B"; "T09"	Reporting Table	Reporting Table	Reporting Table
	Reference Date as explained in paragraph 7	Reference Date	Reference Date	Reference Date
Margin lending currency (2.34)		Loan Currency		
Reporting counterparty (1.4) or Other counterparty (1.11)	If the Counterparty side (1.9) reported as "TAKE" then use LEI "Other counterparty" if reported as "GIVE" use LEI "Reporting counterparty". The classification of the LEI according to Guideline 31	Sector of the client	Sector of the client	Sector of the client
Reporting counterparty (1.4) or Other counterparty (1.11)	ISO 3166 country code of the legal country from the following LEI : If the Counterparty side (1.9) reported as "TAKE" then use LEI "Other counterparty" if	Jurisdiction of the client	Jurisdiction of the client	Jurisdiction of the client

Table 14 - Proposed dimensions for the FSB margin lending positions.				
Data Field	Calculation rules	FSB Table 8a field names (margin lending – loan stock data)	FSB Table 8b field names (margin lending – free credit balances and short market values)	FSB Table 9 field names (margin lending – collateral portfolios)
	reported as “GIVE” use LEI “Reporting counterparty”.			
Reporting counterparty (1.4) or Other counterparty (1.11)	If the Counterparty side (1.9) reported as “GIVE” then use LEI “Other counterparty ” if reported as “TAKE” use LEI “Reporting counterparty”. The classification of the LEI according to Guideline 31	Sector of the reporting counterparty to a trade	Sector of the reporting counterparty to a trade	
Maturity date (2.14)	Timedelta between Reference Date and Maturity Date in breakdowns as defined under Guideline 27	Residual Maturity		
Collateral quality (2.90)				Collateral Quality
Jurisdiction of the issuer (2.92)				Jurisdiction of the issuer of the collateral
Currency of collateral nominal amount (2.86)				Currency of the Collateral

Table 14 - Proposed dimensions for the FSB margin lending positions.				
Data Field	Calculation rules	FSB Table 8a field names (margin lending – loan stock data)	FSB Table 8b field names (margin lending – free credit balances and short market values)	FSB Table 9 field names (margin lending – collateral portfolios)
Maturity date of the security (2.91)	Timedelta between Reference Date and Maturity Date in breakdowns as defined under Guideline 29			Collateral residual maturity
Availability for collateral reuse (2.95)				Collateral re-use eligibility
Type of collateral component (2.75)				Collateral type
Fixed rate (2.23) or Floating rate (2.32)	Fixed rate (2.23) or Floating rate (2.32) bucketed into 0.1% buckets (e.g. 4.9% - 4.8%)	Loan rate		

Table 15 - Proposed metrics for the FSB margin lending positions.					
Data Field	Metric Type	Calculation rules	FSB Table 8a (margin lending – loan stock data)	FSB Table 8b (margin lending – free credit balances and short market values)	FSB Table 9 (margin lending – collateral portfolios)
	Price	weighted by Outstanding			

Table 15 - Proposed metrics for the FSB margin lending positions.					
Data Field	Metric Type	Calculation rules	FSB Table 8a (margin lending – loan stock data)	FSB Table 8b (margin lending– free credit balances and short market values)	FSB Table 9 (margin lending – collateral portfolios)
		margin loan (2.69) and Short market value (2.71);			
Outstanding margin loan (2.69)	Volume	Converted to USD with rate from the reference date according to Guideline 26	Amount of outstanding loans		
Unmapped - Not in SFTR ²⁴	Volume	Fill with N/A		Free credit balances	
Short market value (2.71)	Volume	Converted to USD with rate from the reference date		Short market value	
Unmapped - Not in SFTR ²⁴		Fill with N/A			Margin requirement
Re-invested cash amount (4.13)	Volume	Converted to USD with rate from the reference date according to Guideline 26			Collateral Market Value

²⁴ This information is not collected through the SFTR data collection.

8 Annexes

Annex I - Proposed Guidelines

- Guideline 1. TRs should include SFTs in the relevant position aggregate(s) from the moment in which they are reported, even though settlement might only take place in the future. This includes both the loan side and the collateral side of the trade, regardless of the respective value dates.
- Guideline 2. TRs should ensure that the calculations relate to the most recent full day's set of trade state data, considering the Event date reported by the counterparties in accordance with the SFTR Reporting Guidelines and following the requirements under Article 5(1) of ITS on reporting. Calculations should be updated on each business day, by clearly identifying the applicable reference date. TRs should also make the position available to authorities on the day of the calculation in line with the following steps:
- Guideline 3. Unless otherwise specified, TRs should exclude SFTs that have missing data for one of the required metrics or dimensions from all relevant calculations. TRs should do this even in instances where the reported SFT is in line with the validation rules.
- Guideline 4. A TR should have in place a robust procedure to identify abnormal values, i.e. outliers, relating to the SFTs it receives from counterparties. For a given position, a TR should calculate positions according to the metrics which exclude reports with outliers, and also the metrics which include all reports which meet the dimensions for each calculation.
- Guideline 5. Upon request from ESMA, a TR should have available at all times the calculation algorithms they use as well as the procedure(s) which they follow to produce each of the four datasets relating to the position calculations described in these Guidelines.
- Guideline 6. When TRs provide an authority with access to erroneous data, and the TR has caused the error itself, the data should be updated by the TR so that it is corrected as soon as it is possible and the erroneous calculations for the previous two years, as of the last working day of each week, should be re-reported correctly. When a mistake by a reporting counterparty, rather than the TR, has led to an incorrect calculation by a TR, all authorities should be notified, and given the opportunity to request an amended version of each calculation that was incorrect from the relevant TR.
- Guideline 7. TRs should maintain a record of all the position calculations which they have calculated for at least two years.
- Guideline 8. TRs which receive data in line with the portability guidelines should keep the previously calculated positions transferred from the old TR for at least two years and follow Guideline 7 prospectively.
- Guideline 9. When performing positions calculation identifying the counterparties to SFTs, the TRs should generate five separate positions reports. These reports are an overview report, a loan position report; a collateral position report; a margin report and a reuse

report. These datasets should be uniquely identifiable and labelled with the relevant reference date. These reports should include the data referred to in Table 5.

Guideline 10. With regards to the overview report, the loan position report, the collateral position report and the margin report, a unique value should be calculated for each counterparty pair (E_i, E_j), where $i \neq j$, and set of dimensions Z_k at time t , where t is a specific event date.

Guideline 11. TRs should calculate the metrics included in Table 3 - metrics for positions. The price metrics should be calculated as weighted-averages, whereas the volume metrics should be calculated as a count of the number of UTIs and as a sum for each exposure variable and currency.

Guideline 12. The figures included in calculations should not be rounded, but the calculated position should be rounded to an appropriate figure.

Guideline 13. TRs should calculate positions in their original currency for all currencies issued by EEA Member States; for GBP, CHF, USD and JPY; and an EUR equivalent value based on the ECB reference rate for the given event date for all the aforementioned currencies. In addition, the TRs should calculate the EUR equivalent value of a bucket, including AUD, CAD, HKD, NZD, SGD and TWD and of a bucket of all the remaining currencies.

Guideline 14. TRs should use the fields included in Table 4 - Proposed dimensions for position reports under SFTR (including the currencies of metrics) to calculate the respective position reports, namely the overview report, the loan report, the collateral report, the margin report and the reuse report. TRs should follow Guideline 15 to Guideline 21 for detailed instructions on the inclusion of the different dimensions. For the rest of dimensions, the data should be grouped in accordance with the reported values.

Guideline 15. TRs should include the information about the country of the other counterparty and the jurisdiction of the issuer by including the following country code information: (a) for each EEA Member State; (b) for the United Kingdom, (c) for Switzerland, (d) for the United States, (e) for Japan, (f) a bucket of other advanced jurisdictions such as Australia, Canada, China, New Zealand, Singapore and Taiwan and (g) a bucket of the rest of the world.

Guideline 16. TRs should flag with TRUE or FALSE the participation of a Tri-party agent and an agent lender in the SFT.

Guideline 17. TRs should calculate separate positions for fixed-rate SFTs and for floating-rate ones. When calculating positions in floating-rate SFTs, the TRs should create the following buckets of rates and tenors of those rates:

- a. €STR
- b. Euribor (3M, 6M, other tenors)
- c. EUR OIS (Overnight Index Swap 1d, 1w, other tenors)
- d. GBP Libor (3M, 6M, other tenors) and the respective successor rate
- e. USD Libor (3M, 6M, other tenors) and the respective successor rate

- f. USD OIS (Overnight Index Swap 1d, 1w, other tenors)
- g. Other floating rates

Guideline 18. TRs should calculate positions with the following breakdown: (a) EEA on-venue, (b) non-EEA on-venue and (c) off-venue.

Guideline 19. TRs should use the following buckets to aggregate SFTs with similar values for term of the SFT and for maturity date of the security. Term of the SFTs and residual maturity of the security should be calculated as the difference between the SFTs Maturity Date and the reference date, based on a Gregorian calendar.

- a. Open term
- b. Overnight (1 working day)
- c. More than one day and less than one week
- d. More than one week and less than one month
- e. More than one month and less than three months
- f. More than three months and less than six months
- g. More than six months and less than one year
- h. More than one year

Guideline 20. In the event that a SFT (or the security used to collateralise this SFT) has a maturity date which does not exist in the month of the reference date (i.e. 29, 30, 31 month dependent), the decision for which maturity bucket that SFT should be included in should be made by treating that SFT in the same way as if the calculation were being made on the maturity day for the month of the reference date. For example if a SFT position calculation has a reference date of 31 January and the SFT (or the security used to collateralise this SFT) matures on 28 February, that SFT (or the security used to collateralise this SFT) should be included in the 'One month or less' maturity bucket. If a reference date is on 31 January and the maturity date is 1 March then that SFT (or the security used to collateralise this SFT) should be included in the 'More than one month but no more than three months' maturity bucket. If a calculation's reference date is on 30 April, and the SFT (or the security used to collateralise this SFT) matures on 31 May then that SFTs (or the security used to collateralise this SFT) should be included in the 'One month or less' maturity bucket.

Guideline 21. TRs should calculate separate positions depending on the reconciliation status of the SFT attributed in accordance with the values included in Table 3 of Annex I of RTS on data aggregation.

Guideline 22. For the FSB positions the TRs should provide the relevant aggregation in an XML template in accordance with the ISO 20022 methodology.

Guideline 23. For the FSB positions the TRs should follow Guideline 1 to Guideline 8, except Guideline 2 which does not apply to Table 7 with regards to trade activity data.

Guideline 24. For the FSB positions the TRs should generate data sets for repos and reverse repos (four tables), securities lending (three tables) and margin lending (three tables). These data sets should be uniquely identifiable and labelled with the relevant reference date.

Guideline 25. For the FSB positions TRs should filter the data for each authority in accordance with the requirements for the relevant FSB aggregates. Each authority should be provided with FSB positions for the reporting counterparties established in the Member State or the euro area or the Union or branches of third country entities operating thereof. For the FSB positions, the SFTs concluded by third-country branches of EU counterparties should not be considered.

Guideline 26. For the FSB positions currency conversions TRs should use the official conversion rates from the ECB (“Euro foreign exchange reference rates”) where possible. Rates not covered by the ECB (such as TWD) should be gathered from other trustable rate sources.

Guideline 27. For the FSB positions TRs should halve volume metrics if they are stemming from records that are subject to double reporting (i.e. records within the same jurisdiction). Further TRs should apply this adjustment before they calculate the average-weight price metrics. Price and count metrics are not halved.

Guideline 28. For the FSB positions TRs should introduce following maturity buckets:

- a. Open or continuing terms contracts for which no maturity date is specified with the value: “OPEN”.
- b. Including 1-day term trades or longer that mature the next business day with the value “ON”.
- c. From 2 days to 1 week with value “2D1W”. From over 1 week to 1 month with value “1W1M”.
- d. From over 1 month to 3 months with value “1M3M”.
- e. From over 3 to 12 months with value “3M12M”.
- f. Everything over 12 Month with value “1YOV”.

Guideline 29. For the FSB positions TRs should introduce following maturity buckets for collateral data elements:

- a. Below one month with the value “LT1M”.
- b. More than 1 month and up to 3 months with the value “1M3M”. More than 3 months and up to 1 year with the value “3M12M”.
- c. More than 1 year and up to 5 years with the value “1Y5Y”.
- d. More than 5 and up to 10 years with the value “5Y10”.
- e. More than 10 year with the value “10YO”.
- f. Not applicable (e.g. equity instruments, perpetual bonds, margin loans without fixed maturity, etc.) with the value “NONE”.

Guideline 30. For the FSB positions TRs provide the results of the calculation maximum two days after the reference date so the authorities have enough time to submit them to the FSB.

Guideline 31. For the FSB positions TRs should generate a mapping between the LEI and the FSB sector definition using the most recent trade state data. This mapping should be done according to Table 6 and using following the fields Reporting counterparty (1.3) and Sector of the reporting counterparty (1.5) and Additional sector classification (1.5). The names of sectors should be used as values in the final aggregation. Following FSB-sectors need to be distinguished:

- a. Banks (SNA: deposit-taking corporations) with the value "S1220".
- b. Broker-dealers and investment firms with the value "S1252".
- c. MMFs with the value "S1230".
- d. ETFs with the value "S1241".
- e. REITs with the value "S1242".
- f. CCPs with the value "S1253".
- g. Other investment funds with the value "S1243".
- h. Insurance/re-insurance corporations with the value "S1281".
- i. Pension funds, retirement, charitable and non-profit with the value "S1290".
- j. General government with the value "S1300".
- k. Non-financial corporations (including public non-financial corporations, large corporate and small-medium enterprises) and other sectors with the value "S1100".

Guideline 32. For the FSB positions, for all the dimensions that are not covered in the previous Guidelines TRs should generate and implement a mapping between the values that are reported under SFTR and the values that should be reported to FSB. For the mapping TRs should use the latest version of the document "Securities Financing Transactions: Reporting guidelines" from the FSB.

Guideline 33. TRs should use the dimensions included in Table 8 and the metrics used in Table 9 to calculate the respective repo FSB positions using the data sources and filters of Table 7. TRs should follow Guideline 23 to Guideline 31 for detailed instructions on data preparation.

Guideline 34. TRs should use the dimensions included in Table 11 and the metrics used in Table 12 to calculate the respective securities lending FSB positions using the data sources and filters of Table 10. TRs should follow Guideline 23 to Guideline 31 for detailed instructions on data preparation.

Guideline 35. TRs should use the dimensions included in Table 14 and the metrics used in Table 15 to calculate the respective margin lending FSB positions using the data sources and filters of Table 13. TRs should follow Guideline 23 to Guideline 31 for detailed instructions on data preparation.

Annex II - List of Questions

- Q1. Do you agree with the proposed approach to implementation? Please elaborate on the reasons for your response.
- Q2. Do you foresee any additional option, that would represent SFT exposures more accurately? Please detail the reasons for your response.
- Q3. Is there any additional aspect that needs to be clarified with regards to the timeline for provision of position data? Please detail the reasons for your response.
- Q4. How should we consider the inclusion of SFTs in positions, when due to timezone difference, an SFT cannot be included in a position calculation for Event date T and it is reported on T+1? Please detail the reasons for your response.
- Q5. Do you agree with the proposed approach for calculating positions and excluding SFTs which are missing one of the required metrics and dimensions? Alternatively, could you consider any of the proposed alternatives or propose some additional ways to calculate the SFT positions? Please detail the reasons for your response.
- Q6. Do you agree with the establishment of a process for identification of outliers by the TRs? Please detail the reasons for your response.
- Q7. Do you consider that this process should be further standardised across TRs? If so, what specific aspects and statistics should be considered? Please detail the reasons for your response.
- Q8. What additional aspects should be clarified with regards to the availability of algorithms for ESMA? Please detail the reasons for your response.
- Q9. Do you agree with the proposal to align the record-keeping of position calculations under SFTR with EMIR? What other aspects should be considered? Please detail the reasons for your response.
- Q10. Do you agree with the proposed approach to compute weighted-average prices and volumes? Do you agree with the proposed list of fields in Table 3 - metrics for positions for the computations? Please detail the reasons for your response.
- Q11. Do you agree with including in the report the original currency of the SFTs as well as its EUR equivalent monetary values? Do you consider that a different approach to bucketing should be considered? Please detail the reasons for your response.
- Q12. Do you consider that the key characteristics of SFTs are covered by the proposed list of dimensions in Table 4 - Proposed dimensions for position reports under SFTR (including the currencies of metrics)? If not, please indicate which other data fields should be considered and how those should be considered? Alternatively, do you consider that some dimensions could be excluded as they would not contribute to the better understanding of the outstanding exposures between SFTs? Please detail the reasons for your response?

- Q13. Specifically in the case of the collateralisation on net exposure basis, do you think that the TRs should create separate positions for those SFTs without considering the counterparty side? Please detail the reasons for your response?
- Q14. Do you agree with the proposed bucketing? Should ESMA consider an alternative approach? Please detail the reasons for your response.
- Q15. Do you agree with the proposed inclusion of tri-parry agents and agent lenders in the position reports? Please detail the reasons for your response.
- Q16. Do you agree with the proposed list of benchmarks and tenors? Are there other key interest rate benchmarks that should be included? Please detail the reasons for your response.
- Q17. Do you agree with the proposed grouping of SFT positions based on the trading venue field? Please detail the reasons for your response.
- Q18. Do you agree with the proposed bucketing regarding maturity dates? What additional aspects should be considered when calculating the term of the SFTs and the residual maturity of the securities used to collateralise that SFT? Please detail the reasons for your response.
- Q19. Do you agree with the inclusion of all values on reconciliation status or additional grouping should be performed? Please detail the reasons for your response.
- Q20. Do you agree with the use of ISO 20022 XML messages for the FSB positions? Please provide the reasoning for your answer.
- Q21. Do you agree that the FSB reports should be calculated for all authorities (i.e. also NCAs/NCBs that are not mandated to report the FSB) for risk monitoring purposes? Please elaborate on the relevant cost aspects. Please detail the reasons for your response.
- Q22. Do you agree with usage of the ECB conversion rates? Are you aware any other public data source providing conversion rates for further currencies?
- Q23. Which public and non-public sources of the LEI to sector mapping could be used to classify entities not reporting under SFTR? Please elaborate further on the proposed source.
- Q24. What additional aspects related to the aggregations for FSB reporting should be clarified? Please detail the reasons for your response.
- Q25. Do you understand and agree with the proposed mapping for repo and reverse repo of the FSB reporting guidelines? If not, please detail further.
- Q26. Do you understand and agree to the securities lending mapping of the FSB reporting guidelines? If not please detail further.
- Q27. Do you understand and agree to the margin lending mapping of the FSB reporting guidelines? If not please detail further.