



European Securities and
Markets Authority

Response Form to the Consultation Paper

Guidelines for reporting under Articles 4 and 12 SFTR



Responding to this paper

ESMA invites comments on all matters in this paper and in particular on the specific questions summarised in Annex III. 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 **29 July 2019**.

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

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

1. Insert your responses to the questions in the Consultation Paper in the present response form.
2. Please do not remove tags of the type <ESMA_QUESTION_RSFTTR_1>. Your response to each question has to be framed by the two tags corresponding to the question.
3. If you do not wish to respond to a given question, please do not delete it but simply leave the text "TYPE YOUR TEXT HERE" between the tags.
4. When you have drafted your response, name your response form according to the following convention: ESMA_RSFTTR_nameofrespondent_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA_RSFTTR_ABCD_RESPONSEFORM.
5. Upload the form containing your responses, in Word format, to ESMA's website (www.esma.europa.eu under the heading "Your input – Open consultations" → "Consultation on Position limits and position management in commodities derivatives").

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 publically 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 [Legal Notice](#).

Who should read this paper

All interested stakeholders are invited to respond to this consultation. In particular, responses are sought from financial and non-financial counterparties to securities financing transactions, tri-party agents, agent lenders, central counterparties (CCPs) and trade repositories (TRs), as well as from all the authorities having access to the TR data.

General information about respondent

Name of the company / organisation	Association of the Luxembourg Fund Industry (ALFI)
Activity	Other Financial service providers
Are you representing an association?	<input checked="" type="checkbox"/>
Country/Region	Luxembourg

Introduction

Please make your introductory comments below, if any

<ESMA_COMMENT_RSFTTR_1>

The **Association of the Luxembourg Fund Industry (ALFI)** represents the face and voice of the Luxembourg asset management and investment fund community. The Association is committed to the development of the Luxembourg fund industry by striving to create new business opportunities, and through the exchange of information and knowledge.

Created in 1988, the Association today represents over 1,500 Luxembourg-domiciled investment funds, asset management companies and a wide range of businesses that serve the sector. These include depositary banks, fund administrators, transfer agents, distributors, law firms, consultants, tax advisory firms, auditors and accountants as well as specialist IT and communication companies. Luxembourg is the largest fund domicile in Europe and a worldwide leader in cross-border distribution of funds. Luxembourg-domiciled investment funds are distributed in more than 70 countries around the world.

We thank the ESMA for the opportunity to participate in this consultation.

<ESMA_COMMENT_RSFTTR_1>

Questions

Q1 : Do you agree with the above assessment? Are there any other transactions for which clarification is needed? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_1>

We agree with the above assessment. We welcome this clarification, as a comprehensive inventory of the eligible transactions to SFTR will help the industry in defining the scope of transactions to report.

<ESMA_QUESTION_RSFTTR_1>

Q2 : Do you agree with the approach set out for reporting of SFTs under Article 4 of SFTR as detailed above? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_2>

We only partially agree, as LEI should not be allocated just to sub-funds but also to ring-fenced pools of assets. CP§68 describes the case of transactions at pool of assets level.

<ESMA_QUESTION_RSFTTR_2>

Q3 : Do you agree with the approach for reporting repos and reverse repos as detailed in this section? Please detail the reasons for your response

<ESMA_QUESTION_RSFTTR_3>

We agree with the approach which is in line with usual business practices.

<ESMA_QUESTION_RSFTTR_3>

Q4 : Are there any other types of repos and reverse repos transactions for which reporting needs to be clarified? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_4>

No, we do not see other types of repos and reverse repos transactions for which reporting needs to be clarified.

<ESMA_QUESTION_RSFTTR_4>

Q5 : Are there any other aspects on reporting of master agreements or other elements of BSB/SBB that need to be clarified? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_5>

No, we do not see other aspects on reporting of master agreements or other elements of BSB/SBB that need to be clarified.

<ESMA_QUESTION_RSFTTR_5>

Q6 : Do you foresee any issues relating to the non-availability of information on the counterparties and the securities by T+1? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_6>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_6>

Q7 : To what extent the SFTs that are cancelled and replaced bear price-forming information, i.e. does the cancellation imply an additional fee or price charged? If so, how can this information be better included in the reports? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_7>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_7>

Q8 : Which approach would you favour in terms of reporting cash-driven SLB? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_8>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_8>

Q9 : Do you agree with the proposal with regards to reporting of SFTs involving commodities? What other aspects should be clarified with regards to these SFTs? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_9>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_9>

Q10 : Are there any aspects that need to be clarified with regards to this type of SFTs? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_10>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_10>

Q11 : Do you agree with the proposal with regards to reporting of margin lending? What other aspects should be clarified with regards to these SFTs? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_11>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_11>

Q12 : Having in mind that position reporting of CCP-cleared SFTs is optional only when transaction-level reporting was made in accordance with paragraph 84, do you believe that additional clarifications need to be provided by ESMA? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_12>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_12>

Q13 : Do you agree with the approach regarding allocation of responsibility with regards to SFTs concluded between TC-FC and EU SME-NFC? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_13>

Overall, we agree, however we suggest aligning the responsibility regime of UCITS Management Companies and AIFM to the Article 9 EMIR Refit Regime (where the responsibility and the liability of a complete and accurate reporting falls under the fund's management body. This would definitely bring clarity.

<ESMA_QUESTION_RSFTTR_13>

Q14 : Do you agree with the approach regarding allocation of responsibility with regards to UCITS management company and AIFM, established in third country? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_14>

Yes, this approach is in line with the usual practices.

<ESMA_QUESTION_RSFTTR_14>

Q15 : Do you agree with the approach for determining conclusion of SFTs by EU branches of non-EU entities? Are there any other instances in addition to the ones in paragraph 102 that would need to be clarified? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_15>

We agree with the approach.

<ESMA_QUESTION_RSFTTR_15>

Q16 : Is the proposed guidance for determining whether an SFT conducted by a branch needs to be reported clear and comprehensive? Which areas require further clarification? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_16>

The proposed guidance looks clear and comprehensive.

<ESMA_QUESTION_RSFTTR_16>

Q17 : Is the proposed guidance for reporting of intragroup SFTs clear and comprehensive? Which areas require further clarification? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_17>

The proposed guidance looks clear and comprehensive.

<ESMA_QUESTION_RSFTTR_17>

Q18 : Do you agree with the approach for reporting by NFCs? Is there any additional aspect relating to reporting by NFCs that needs to be clarified? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_18>
We agree with the approach.
<ESMA_QUESTION_RSFTTR_18>

Q19 : Do you agree with the proposal for reporting conclusion of SFTs? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_19>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_19>

Q20 : Do you agree with the proposal for reporting modifications to SFTs? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_20>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_20>

Q21 : Do you agree with the proposal for reporting collateral updates to SFTs? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_21>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_21>

Q22 : Do you have any issues with reporting in a timely manner valuation, margin and reuse updates pertaining to SFTs? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_22>
ALFI is not aware of specific issues about this topic. Issues might occur during the detailed implementation phase.
<ESMA_QUESTION_RSFTTR_22>

Q23 : Do TRs require additional guidance in relation to how reports submitted by the entities mentioned in Article 2(2) and (3) of SFTR should be treated and the relevant procedures to follow? If so please confirm where further guidance is required.

<ESMA_QUESTION_RSFTTR_23>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_23>

Q24 : Do you agree with the proposed rules for reporting of field 1.17? Are there any other instances that would need to be clarified? Please detail the reasons for your answer.

<ESMA_QUESTION_RSFTTR_24>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_24>

Q25 : Do you consider proposal A or proposal B to be the most efficient way to ensure that details of SFTs are reported accurately, and why? What would be the costs and benefits of each approach? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_25>

A full snapshot including not only the amended data but also the non altered ones simplifies the organisation of the reporting process and decreases the operational risk linked to the identification of amended data.

For instance, this covers the case where the trade type reported is corrected, e.g. a trade was reported as a SLB but is a repo. The scenario is not covered specifically and the fields to be used are very different.

For these reasons we support proposal A.

Of course, partial reporting will be used for valuation events VALU and COLU.

<ESMA_QUESTION_RSFTTR_25>

Q26 : Do you agree with the sequences proposed? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_26>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_26>

Q27 : Do you agree with the proposed mapping between business events and action types? Are there any additional business events that should be included? Please detail the reasons for your answer.

<ESMA_QUESTION_RSFTTR_27>

In light of CP§140 and table 5 action types, a simple settlement fail should not be reported as ETRM, as a reasonably short delay cannot terminate a trade with a valid contract.

We suggest creating a separate event for “delayed settlement”.

No reference to the CSDR buy-in regime timetable should be mentioned. The CSDR regime applies only when the SFT is executed through a CSD, and has a term of 30 business days or longer.

<ESMA_QUESTION_RSFTTR_27>

Q28 : Are there any other relationships that would need to be defined? If so, please detail which ones.

<ESMA_QUESTION_RSFTTR_28>

In table 5, this “delayed settlement” event would not be assigned to an ETRM nor a MODI, nor any other action type.<ESMA_QUESTION_RSFTTR_28>

Q29 : Is there any aspect not covered by the ITS on reporting that would require further clarification? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_29>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_29>

Q30 : Do you agree with the proposed approach for reporting of counterparty side in the case of CCP-cleared SFTs? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_30>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_30>

Q31 : Do you agree with the proposed approach to determine which side of a transaction is the collateral provider and which is the collateral taker for unsecured lending/borrowing of securities? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_31>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_31>

Q32 : Please indicate how frequently is a haircut, margin or any other type of discount/add-on, applied to the loan side of SLB?

<ESMA_QUESTION_RSFTTR_32>
Discounts or premia can be applied to the loan side of an SLB as often as necessary. The pricing policy might imply several intraday adjustments in order to reflect changes in market characteristics or counterparty risk.
<ESMA_QUESTION_RSFTTR_32>

Q33 : Do you agree with the proposed approach? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_33>
The pricing policy of a financial instrument should not include haircut nor margin components, as the latter are dedicated to collateral assessment.
<ESMA_QUESTION_RSFTTR_33>

Q34 : Do you agree with the proposed approach? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_34>
We agree with the approach which differentiates the 2 cases of Fixed-income and equity securities, and which is in line with current business practices.
<ESMA_QUESTION_RSFTTR_34>

Q35 : Do you agree with the proposed approach on timing and use of FX rates? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_35>
We agree with the approach which is in line with current business practices. Market prices have to be synchronised with reference FX rates.
<ESMA_QUESTION_RSFTTR_35>

Q36 : Does ESMA need to provide additional guidance on the reporting of the valuation fields? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_36>

We do not see need to provide additional guidance when no market value is available.

<ESMA_QUESTION_RSFTTR_36>

Q37 : Do you have any remarks concerning the reporting of CFI? What other aspects need to be clarified to ensure that reporting is consistently performed? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_37>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_37>

Q38 : Do you agree with the approach for back-loading? What other aspects have to be considered to make the reporting of backloaded SFTs more efficient for counterparties and TRs, i.e. the costs of this approach are minimised and also the usefulness of the reports submitted going forward is maximised? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_38>

The backloading requirement of 180 days of outstanding maturity applies to each of the 4 go-live milestones (CP§164).

This means Trade Repositories will not have to reconcile trades entered into by counterparties of the third milestone (October 2020) with counterparties of the previous milestones (April and July 2020) before October 2020.

<ESMA_QUESTION_RSFTTR_38>

Q39 : What other aspects with regards to the UTI have to be clarified? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_39>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_39>

Q40 : Are there any other instances that need to be clarified? Please elaborate on the reasons for your response.

<ESMA_QUESTION_RSFTTR_40>

Yes. LEI should not be allocated just to sub-funds but also to ring-fenced pools of assets.<ESMA_QUESTION_RSFTTR_40>

Q41 : Please provide the relative volume of transactions for which issuer's LEI (of securities used as collateral) or ISIN is not available in principle.

<ESMA_QUESTION_RSFTTR_41>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_41>

Q42 : Do you agree with this approach? What other aspects need to be considered? Please elaborate on the reasons for your response.

<ESMA_QUESTION_RSFTTR_42>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_42>

Q43 : Do you believe there are other use cases that need to be further defined in this subsection? Do you agree with the applicability of those use cases to the different types of SFTs as outlined above? Please detail the reasons for your answers.

<ESMA_QUESTION_RSFTTR_43>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_43>

Q44 : Do you agree with the population of the counterparty data fields? Please detail the reasons for your response and indicate the table to which your comments refer.

<ESMA_QUESTION_RSFTTR_44>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_44>

Q45 : Do you agree with the approach to reporting action types? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_45>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_45>

Q46 : Do you agree with the approach to reporting event date? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_46>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_46>

Q47 : Do you agree with the approach to reporting clearing? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_47>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_47>

Q48 : Do you agree with the approach to reporting trading venue field? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_48>

TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_48>

Q49 : Do you have any remarks or questions concerning the reporting of master agreements? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_49>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_49>

Q50 : Do you agree with the approach to reporting conclusion and beginning of an SFT? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_50>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_50>

Q51 : Do you agree with the approach to reporting term of the SFT? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_51>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_51>

Q52 : Do you see any issues with the approach to reporting termination optionality? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_52>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_52>

Q53 : Which of these approaches do you favour for reporting general and specific collateral? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_53>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_53>

Q54 : Do you agree with the approach to reporting collateral arrangements? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_54>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_54>

Q55 : Do you agree with the approach to reporting fixed and floating rates of SFTs? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_55>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_55>

Q56 : Do you see any issues with the approach to reporting repo and BSB/SBB principal amounts? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_56>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_56>

Q57 : Do you agree with the approach regarding reporting fields 2.51 and 2.90? Please elaborate on the reasons for your response.

<ESMA_QUESTION_RSFTTR_57>
The classification purpose is useful. Nevertheless, the list of values could describe more accurately the quality of the securities, e.g. through the notion of HQLA level 1-2 eligible to the numerator of the Liquidity Coverage Ratio.
<ESMA_QUESTION_RSFTTR_57>

Q58 : Do you agree with the approach to reporting securities on loan? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_58>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_58>

Q59 : Do you agree with the approach to reporting SFTs involving commodities? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_59>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_59>

Q60 : Do you agree with the approach to reporting cash rebate SLBs? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_60>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_60>

Q61 : Do you agree with the approach to reporting non-cash collateral SLBs? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_61>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_61>

Q62 : Do you agree with the approach to reporting margin loan data? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_62>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_62>

Q63 : Do you agree with the approach to reporting collateralisation? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_63>
In terms of granularity, the approach described in tables 85>88, is in line with usual business practices.
<ESMA_QUESTION_RSFTTR_63>

Q64 : Do you agree with the approach to reporting cash collateral? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_64>
In terms of granularity, the approach described in table 89 is in line with usual business practices.
<ESMA_QUESTION_RSFTTR_64>

Q65 : Do you agree with the proposed approach? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_65>
The approach described is in line with usual business practices.
<ESMA_QUESTION_RSFTTR_65>

Q66 : Do you agree with the proposed approach for calculating collateral haircuts or margin? Please provide justification for your response.

<ESMA_QUESTION_RSFTTR_66>
The approach described is in line with usual business practices.
<ESMA_QUESTION_RSFTTR_66>

Q67 : Do you agree with the proposed approach for reporting collateral type field? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_67>
The approach described is in line with usual business practices.
<ESMA_QUESTION_RSFTTR_67>

Q68 : Do you agree with the proposed approach for reporting Availability for collateral reuse? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_68>

The approach described is in line with usual business practices.

<ESMA_QUESTION_RSFTTR_68>

Q69 : Do you agree with the proposed approach for reporting fields Identification of security and LEI of issuer? Are you aware of instances where securities provided as collateral do not have an ISIN? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_69>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_69>

Q70 : Do you agree with the proposed approach for reporting plain vanilla bonds as collateral? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_70>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_70>

Q71 : Do you agree with the proposed approach for reporting perpetual bonds as collateral? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_71>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_71>

Q72 : Do you agree with the proposed approach for reporting main index equities as collateral? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_72>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_72>

Q73 : Do you agree with the proposed approach for reporting variation margining with additional provision of securities by the collateral provider? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_73>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_73>

Q74 : Do you agree with the proposed approach for reporting variation margining with return of the same securities to collateral provider? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_74>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_74>

Q75 : Do you agree with the proposed approach for reporting variation margining with return of different securities to the collateral provider? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_75>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_75>

Q76 : Do you agree with the proposed approach for reporting prepaid collateral? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_76>

TYPE YOUR TEXT HERE

<ESMA_QUESTION_RSFTTR_76>

Q77 : Do you agree with the proposed approach for reporting portfolio code? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_77>

We agree this this approach which ensures overall consistency in reconciliation between portfolio and trade level, no matter if the financial instrument is a derivative or a security.

<ESMA_QUESTION_RSFTTR_77>

Q78 : Do you agree with the approach to reporting margin data? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_78>

As for the EMIR reporting framework, the approach detailed in table 102 specifies all the components of collateral posted and received, which is in line with usual business practices. Therefore we agree with the approach.

<ESMA_QUESTION_RSFTTR_78>

Q79 : Do you have any comments on the scope of the non-cash collateral re-use measure, and are there practical obstacles to the reporting? In the case of margin lending, do you agree with the exclusion of securities that cannot be transferred to the prime broker's account due to rehypothecation limits agreed contractually?

<ESMA_QUESTION_RSFTTR_79>

UCITS and ETFs vehicles have to comply with current limitations of re-use of collateral received, as stated by ESMA Guidelines 2014/937 (on ETFs and UCITS): Art. 43 i) non-cash collateral received should not be sold, re-invested or pledged.

This means that in light of CP§367, the re-use reporting has to be performed only if a re-use has actually occurred, and for a transaction in scope of SFTR.

Moreover, UCITS and ETFs vehicles are still prevented from accessing liquidity via repos (due to the limitations of the § 42 and 43i of the above mentioned guidelines). ESMA is aware of this issue. ALFI would welcome some clarification on this aspect from ESMA at its earliest convenience, in the event it intends to amend the guidelines.

If UCITS and ETFs shall regain access to liquidity via repos, this should be communicated by ESMA quickly, as the fund industry would have the chance to consider the reporting of repos in their SFTR projects in 2019 and 2020. Getting knowledge at a later stage would create additional operating/reporting costs. This amendment would be welcome to ensure a level playing field with the banking sector which is not constrained by such limitations.

<ESMA_QUESTION_RSFTTR_79>

Q80 : Do you have any comments on cash collateral reinvestment, and do you agree with the scope?

<ESMA_QUESTION_RSFTTR_80>

UCITS and ETFs vehicles have to comply with current limitations of the re-use of collateral received, as stated by ESMA Guidelines 2014/937 (on ETFs and UCITS): Art. 43 j) cash collateral received should only be placed on deposit; invested in high-quality government bonds; used for the purpose of reverse repo transactions; invested in short-term money market funds.

This means the re-use reporting has to be performed only if a re-use has actually occurred, and for a transaction in scope of SFTR.

Moreover, ALFI would also welcome some flexibility on the cash collateral re-use limitations (with regard to the limitations of the § 43j of the above mentioned guidelines). Indeed ETFs and UCITS should be allowed to use cash collateral received to exchange margin (VM in particular).

This amendment would be welcome to ensure a level playing field with the banking sector which is not constrained by such limitations.

<ESMA_QUESTION_RSFTTR_80>

Q81 : Do you agree with the proposed approach for reporting reuse, reinvestment and funding sources? Please detail the reasons for your response and include a reference to the specific table.

<ESMA_QUESTION_RSFTTR_81>

In line with our responses to Q79 and 80, we agree on the approach presented in tables 108>113

<ESMA_QUESTION_RSFTTR_81>

Q82 : What other aspects need to be considered with regards to the aforementioned approach with regards to treatment of rejection feedback? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_82>

TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_82>

Q83 : What other aspects need to be considered with regards to the aforementioned approach with regards to treatment of reconciliation feedback? Please detail the reasons for your response.

<ESMA_QUESTION_RSFTTR_83>
TYPE YOUR TEXT HERE
<ESMA_QUESTION_RSFTTR_83>

Q84 : What other aspects need to be considered to make the process more efficient? Please elaborate on the reasons for your response?

<ESMA_QUESTION_RSFTTR_84>
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Q85 : Do you have any comments on the aforementioned practicalities relating to the provision of access to SFT data to authorities? What other aspects need to be considered to make the process more efficient? Please elaborate on the reasons for your response?

<ESMA_QUESTION_RSFTTR_85>
TYPE YOUR TEXT HERE
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