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Additional Information

Level 1 Regulation Securities Financing Transactions Regulation (SFTR) Regulation (EU) 2015/2365- MDP

Topic Margin lending

Subject Matter Reporting of zero collateral for margin lending

Question How should zero collateral be reported for margin lending? Submission Date 05/11/2020

ESMA Answer

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In accordance with Article 5(2) of CIR (EU) 2019/363, counterparties should report the relevant collateral components of a margin loan as long as there is an outstanding exposure. Currently the technical standards do not allow for reporting of cash collateral for margin loans, therefore the counterparties cannot report for margin lending zero collateral in line with section 5.4.4 of the ESMA SFTR Reporting Guidelines. Counterparties should use the ISIN EU000A1G0EB6 (European Financial Stability Facility) as an agreed default value in field 2.78 (Identification of a security used as collateral) to report zero collateral for margin loans.