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Additional Information

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

Topic
* LEI (Legal Entity Identifier)

Subject Matter
LEI changes due to mergers and acquisitions

Question
a) Which data fields should be updated in case of corporate restructuring events affecting the LEI?
b) To which entities the information on the LEI update should be broadcasted?

ESMA Answer

21-09-2021

Original language

[ESMA74-362-893 SFTR Q&A 11]

a) Further to the process described in section 4.19 of the Guidelines, once a notification regarding a corporate restructuring event affecting outstanding SFTs is received, the TR should identify all the outstanding SFTs where the entity is identified with the old identifier in any of the following fields: Reporting counterparty (fields 1.3, 3.4, 4.4), Other counterparty (fields 1.11, 3.6), Entity responsible for the report (fields 1.10, 3.5, 4.5), Report submitting entity ID (fields 1.2, 3.3, 4.3), Beneficiary (field 1.13), Tri-party agent (field 1.14), Broker (field 1.15), Clearing member (field 1.16), Central Securities Depository (CSD) participant or indirect participant (field 1.17), Agent lender (field 1.18), CCP (field 2.7) and LEI of the issuer (fields 2.54 and 2.93), and replace the old identifier with the new LEI.

TRs should ensure that all the subsequent validations of the aforementioned fields are also aligned with the relevant reporting requirements included in the ITS on reporting and in the Validation rules.

b) Other corporate restructuring events, such as, but not limited to, partial acquisitions, spin-offs, may affect only a subset of outstanding SFTs, in which case the new entity should accordingly provide the TR with the UTIs of the SFTs impacted by that event. In addition to the counterparties indicated in paragraph 162 (c) of the Guidelines, the TRs should inform the relevant report submitting entities, entities responsible for reporting (to the extent that they are participants to the TR) as well as third parties which have been granted access to information under Article 78(7) of Regulation (EU) No 648/2012[1], as applicable, involved in the SFTs concerned by the LEI change.

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[1] As referred under Article 5(2) of Regulation (EU) 2015/2365