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| 11 March 2016 |

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| Reply form for the  SFTR Discussion Report |
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| Date: 11 March 2016 |

Responding to this paper

The European Securities and Markets Authority (ESMA) invites responses to the specific questions listed in the ESMA SFTR Discussion Report, published on the ESMA website.

*Instructions*

Please note that, in order to facilitate the analysis of the large number of responses expected, you are requested to use this file to send your response to ESMA so as to allow us to process it properly. Therefore, ESMA will only be able to consider responses which follow the instructions described below:

* use this form and send your responses in Word format (pdf documents will not be considered except for annexes);
* do not remove the tags of type <ESMA\_ QUESTION\_SFTR\_1> - i.e. the response to one question has to be framed by the 2 tags corresponding to the question; and
* if you do not have a response to a question, do not delete it and leave the text “TYPE YOUR TEXT HERE” between the tags.

Responses are most helpful:

* if they respond to the question stated;
* contain a clear rationale, including on any related costs and benefits; and
* describe any alternatives that ESMA should consider

**Naming protocol**

In order to facilitate the handling of stakeholders responses please save your document using the following format:

ESMA\_SFTR\_NAMEOFCOMPANY\_NAMEOFDOCUMENT.

E.g. if the respondent were XXXX, the name of the reply form would be:

ESMA\_SFTR\_XXXX\_REPLYFORM or

ESMA\_SFTR\_XXXX\_ANNEX1

***Deadline***

Responses must reach us by 22 April 2016**.**

All contributions should be submitted online at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading ‘Your input/Consultations’.

***Publication of responses***

All contributions received will be published following the end of the consultation period, unless otherwise requested. **Please clearly indicate by ticking the appropriate checkbox in the website submission form if you do not wish your contribution to be publicly disclosed. A standard confidentiality statement in an email message will not be treated as a request for non-disclosure.** Note also that 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 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](http://www.esma.europa.eu) under the headings ‘Legal notice’ and ‘Data protection’.

# Introduction

Please make your introductory comments below, if any:

< ESMA\_COMMENT\_SFTR\_1>

Amundi is the leading asset manager in Europe and ranks in the top 10 of the industry worldwide, with assets under management above € 985 billion at the end of 2015. Located at the heart of the main investment regions in more than 30 countries, Amundi offers a comprehensive range of products covering all asset classes and major currencies. Amundi has developed savings solutions to meet the needs of more than 100 million retail clients worldwide and designs innovative, high-performing products which are tailored specifically to the requirements and risk profile of institutional and corporate clients. Amundi is a listed company with Credit Agricole Group as its majority shareholder.

Amundi is very much concerned with the discussion about market-based finance and all the fears that the expression “shadow banking” conveys, which are in our opinion largely unjustified as far as asset management is concerned. More specifically, when reading the consultation document on non-cash collateral re-use, we are thankful to the FSB for the opportunity that it offers to bring elements that may help clarify some specificities of the asset management industry.

We would like to underline the following key points that constitute the basis of our understanding on the matter:

1. Amundi totally supports the analysis that led FSB and European Authorities to the conclusion that Re-Use potentially carries risks of a systemic nature; as a consequence, we share the objectives of enhancing financial stability of SFTR and we believe that funds that do not use significant leverage should have been granted a specific proportionate “light regime”; we also believe that single sided reporting is more efficient for authorities to immediately capture relevant data and less expensive for stakeholders to implement;
2. Despite the constraints on time schedule that are pressing for a rapid preparation of TS under SFTR, Amundi is very surprised to see that stakeholders have been offered only 6 weeks to comment the discussion paper issued by ESMA; it is a very comprehensive work with 145 different questions that cannot be properly discussed internally in such a short timeframe ; Amundi apologises for the poor quality of some of its answers that essentially results from this too short delay ;
3. We insist on the necessity to capitalize on preexisting data collection processes and believe that the reference to EMIR and the use of TRs (that have been introduced under EMIR) in order to collect data on SFTs is commendable; however we are very disappointed to see that the MIFID/R reporting obligations are considered independently of the preexisting framework of other regulations; the fact that they have different objectives does not justify the absence of a transversal approach;
4. As a general rule and with the exception of hedge funds, asset managers rarely use SFTs to leverage their portfolios; re-use is totally forbidden for UCITS according to ESMA guidelines; fund managers use Efficient Portfolio Management, mostly reverse repo to secure their cash holdings and securities lending in order to increase the return for their client investors; consequently, asset management is not an issue in terms of financial stability and should not, with the exception of hedge funds, be the focus of SFT regulation; a proportionate “light regime” of reporting should be provided for UCITS and AIFs that do not use significant leverage;
5. Amundi knows that any reporting is a matter of details and implies heavy costs; in that respect a profound and confident discussion with the industry is the best way for regulators to produce a workable framework at an acceptable cost.

< ESMA\_COMMENT\_SFTR\_1>

1. Are these amendments to the provisions included in EMIR RTS 150/2013 sufficient to strengthen the registration framework of TRs under SFTR? If not, what additional provisions should be envisaged? What are the cost implications of the establishment of the provisions referred to in paragraphs 41-53? What are the benefits of the establishment of the provisions referred to in paragraphs 41-53? Please elaborate.

<ESMA\_QUESTION\_SFTR\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_1>

1. Are these procedures sufficient to ensure the completeness and correctness of the data reported under Article 4(1) SFTR? If not, what additional provisions should be envisaged?

<ESMA\_QUESTION\_SFTR\_2>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_2>

1. What are the cost implications of the establishment of the provisions referred to in paragraph 56 to ensure the completeness and correctness of the data reported under Article 4(1) SFTR? Please elaborate and provide quantitative information to justify the cost implications.

<ESMA\_QUESTION\_SFTR\_3>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_3>

1. Are these additional procedures sufficient to strengthen the registration framework of TRs under SFTR? If not, what additional provisions should be envisaged?

<ESMA\_QUESTION\_SFTR\_4>

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<ESMA\_QUESTION\_SFTR\_4>

1. What are the cost implications of the establishment of the provisions referred to in paragraphs 58-65?

<ESMA\_QUESTION\_SFTR\_5>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_5>

1. What are the benefits of the establishment of the provisions referred to in paragraphs 58-65? Please elaborate.

<ESMA\_QUESTION\_SFTR\_6>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_6>

1. Do you agree with the information that should not be provided in the case of extension of registration? Please elaborate.

<ESMA\_QUESTION\_SFTR\_7>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_7>

1. Are there additional provisions that should be removed / included? Please elaborate.

<ESMA\_QUESTION\_SFTR\_8>

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<ESMA\_QUESTION\_SFTR\_8>

1. What are the benefits of providing less documentation? Please elaborate.

<ESMA\_QUESTION\_SFTR\_9>

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<ESMA\_QUESTION\_SFTR\_9>

1. Do you agree with the proposed format of the application for registration and the application for extension of registration? If not, do you consider that the format of the application for extension of registration should be different? What are the costs and benefits of the proposed approach? Please elaborate.

<ESMA\_QUESTION\_SFTR\_10>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_10>

1. Do you agree with the proposed technical format, ISO 20022, as the format for reporting? If not, what other reporting format you would propose and what would be the benefits of the alternative approach?

<ESMA\_QUESTION\_SFTR\_11>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_11>

1. How would the proposed format comply with the governance requirements in paragraph 75? Please elaborate.

<ESMA\_QUESTION\_SFTR\_12>

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<ESMA\_QUESTION\_SFTR\_12>

1. Do you foresee any difficulties related to reporting using an ISO 20022 technical format that uses XML? If yes, please elaborate.

<ESMA\_QUESTION\_SFTR\_13>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_13>

1. Do you foresee issues in identifying the counterparties of an SFT trade following the above-mentioned definitions?

<ESMA\_QUESTION\_SFTR\_14>

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<ESMA\_QUESTION\_SFTR\_14>

1. Are there cases for which these definitions leave room for interpretation? Please elaborate.

<ESMA\_QUESTION\_SFTR\_15>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_15>

1. Is it possible to report comprehensive information at transaction level for all types of SFTs and irrespective of whether they are cleared or not?

<ESMA\_QUESTION\_SFTR\_16>

Amundi foresees difficulties in reporting information on SFTs at the transaction level, depending on the exact definition of transaction. Typically, transactions are concluded at a time and then amended later on to adapt to constraints both internal and regulatory.

Let us take the example of securities lending. We lend securities out of an asset pool of funds that are authorised to lend. At the end of the day, the exact allocation among participating funds will be finalised on the basis of predetermined and precise rules that include regulatory and risk management ratios. We are satisfied to read that RTS foresees a T+1 end of day time limit for proper reporting. As a matter of illustration, Amundi runs 2600 positions with an average of 5 to 6 daily adjustments each. Furthermore, when we use some tri party agents to manage collateral, there are reviews every 15 minutes. Any reporting of these numerous and technical changes would be impossible.

We are not totally clear about the possibility to identify such an asset pool among different funds as the counterparty or the necessity to book funds individually ; in that later case we wonder whether we could nevertheless use only one UTI for this trade that is a many to one securities lending transaction. Suppose that the following day there is an amendment, a substitution of a fund with another one, participant as well to the initial pool of assets. What is not clear to us is the way to report. It will depend on the original booking, either funds individually or pool, and with one or several UTI. The general architecture of our organisation will depend on the answers to these questions and we have not got enough time to forge a strong opinion yet. We are today working with counterparties on the basis of an initial trade made with the pool of funds as counterparty with a daily precise report on affectation among funds. This goes through largely used communication platforms such as Equilend . Substitution of funds acting as lenders does not imply a change in the identification reference of the initial transaction in the disclosure provided by the agent lender (ALD). Our experience on the efficiency of this system is very positive and we would recommend this approach.

<ESMA\_QUESTION\_SFTR\_16>

1. Is there any need to establish complementary position-level reporting for SFTs? If yes, should we consider it for particular types of SFTs, such as repo, or for all types?

<ESMA\_QUESTION\_SFTR\_17>

We oppose this suggestion . As a matter of fact, collateral is managed at positon level between two counterparties and not individually transaction by transaction for securities lending. GMSL is very clear. Conversely, GMRA foresees for Repos a collateral management on a contract per contract basis. SFTR should adapt for these different architectures and not impose any position level report on Repos that would come as an addition to the required transaction level, nor demand collateral report on securities lending at a transaction level.

<ESMA\_QUESTION\_SFTR\_17>

1. Is there any need to differentiate between transaction-level data and position-level data on loans from financial stability perspective? Please elaborate.

<ESMA\_QUESTION\_SFTR\_18>

From a financial stability point of view, a macro view is what is of importance. More granular data enable to conduct further in depth analyses. However transaction level seems to be far too granular for the objective of financial stability supervision. We believe that transaction level reporting may overflow supervisors with too many not directly readable data and reduce their capacity to immediately capture important market evolutions.

<ESMA\_QUESTION\_SFTR\_18>

1. Would the data elements included in section 6.1 be sufficient to support reporting of transactions and positions?

<ESMA\_QUESTION\_SFTR\_19>

Annex 6.1 includes in our opinion too many data elements. Furthermore, they are not prioritised. Authorities should assess which fields are mandatory and which are optional. A third level should be recognised for fields that are mandatory but do not constitute blocking criteria if not matched with the counterparty. We should aim at reducing improper rejections of reports that result from the dual sided reporting requirement.

Amundi is surprised to read such a question, so wide an so far reaching, positioned here in the discussion paper and not at the end of section 6.1. We will express a few comment on the different fields that are listed in the Annex 6.1 and do so in due course, following the order of the discussion paper. However, you will find below the list of the our comments with a reference to the page in the discussion document and to the number of the field concerned in the section of annex 6.1 dedicated to securities lending (section 6.1.3 page 135).

* P.138 (7) the convention for buyer and seller is not appropriate
* P. 142 (1) Who is in charge of providing the UTI? in which delay? We need clear rules and responsibilities to be determined .
* P142 (8) the difference between automated and automatic trading is unclear and does not refer to real life.
* P143 (9): the place of settlement as far as funds are concerned is not readily available to the asset management company: it comes from local sub custodian chosen by the depositary and is exchanged between back offices to confirm the settlement instructions of a transaction.
* P143 (11, 12, 13) these fields introduce a confusion between legal documentation that is under the supervision of the legal department and the trading activity that is conducted at a front office desk; front office is not to be burdened with any other complexity than “yes” or “no” on the eligibility of a counterparty; that relates to the existence of a master agreement in an adequate version; further specifications will not be available at its level and would be very difficult to import.
* P144 (18) UCITS must be able to stop a transaction at any time: is zero an acceptable figure?
* P145 (21) the introduction of a specific item for settlement through CREST appears redundant if other indications are required for settlement .
* P147 (33-34): there is not much clarity on the distinction between the two items; what is price if not market price?
* P148 (38): the information on a possible exclusive access is not referenced today and is not in the reach of the operational trading settlement teams. Cost involved to gather it is not minimal. Is it worthwhile ?
* P 149 (9) technical point on pre € currencies
* P149 (11) practitioners differentiate between clean and dirty price: which one is expected here?
* P 150 (12-13) collateral is posted globally and generally includes minimum collateral required, haircut and over collateralisation in excess of those. It is not easy to split and even very difficult if we take into account the diverse levels of haircuts for different types of collateral within the same portfolio. We suggest to populate field 12 with the total amount of collateral.
* P 150 (14 to17) the ISIN code sufficiently identifies the security; we oppose the reference to CRA’s ratings in a regulatory reporting and refuse the cost incurred.

Some comments are specific to Repos:

* P111 (24) we do not lend commodities and would have to systematically introduce a new item.
* P115 (35-36) for repos and their floating rate leg, we think it is not necessary to report the rate adjustments since the computation methodology is made available
* P115 (38) it is useless to guess the evolution of a floating rate to maturity.

<ESMA\_QUESTION\_SFTR\_19>

1. Would the data elements differ between position-level data and transaction-level data? If so, which ones?

<ESMA\_QUESTION\_SFTR\_20>

ESMA should refer to existing operational flows of information and especially Agent Lending Disclosure (ALD) reports that are exchanged daily through such platforms as Equilend for securities lending. These reports are operationally efficient and allow counterparties to daily control their collateral on a position basis.

<ESMA\_QUESTION\_SFTR\_20>

1. Would the proposed approach for collateral reporting in section 4.3.5 be sufficient to accurately report collateral data of SFT positions? Please elaborate.

<ESMA\_QUESTION\_SFTR\_21>

Here again, we are surprised that this question is not posted after section 4.3.5 where it belongs.

<ESMA\_QUESTION\_SFTR\_21>

1. From reporting perspective, do you foresee any significant benefits or drawbacks in keeping consistency with EMIR, i.e. applying Approach A? What are the expected costs and benefits from adopting a different approach on reporting of lifecycle events under SFTR with respect to EMIR? Please provide a justification in terms of cost, implementation effort and operational efficiency. Please provide concrete examples.

<ESMA\_QUESTION\_SFTR\_22>

Amundi favours the continuity and prefers to keep a structure comparable to that used under EMIR. Any improvement under one of the two regulations would easily benefit to the other if processes are similar.

<ESMA\_QUESTION\_SFTR\_22>

1. Do you agree with the proposed list of “Action Types”? If not, which action types should be included or excluded from the above list to better describe the SFT? Please elaborate.

<ESMA\_QUESTION\_SFTR\_23>

The question that is not clearly addressed relates to the way substitutions of lender within an asset pool that lends securities to a counterparty will be considered. It essentially depends on the methodology for booking the initial transaction as discussed above Q16.

<ESMA\_QUESTION\_SFTR\_23>

1. Do you foresee any benefits or drawbacks of implementing the proposed reporting logic of event types and technical actions (Approach B)? Please elaborate.

<ESMA\_QUESTION\_SFTR\_24>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_24>

1. Do you agree with the proposed list of event types and technical actions? If not, which ones should be included or excluded?

<ESMA\_QUESTION\_SFTR\_25>

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<ESMA\_QUESTION\_SFTR\_25>

1. Do you foresee any need to introduce a unique reference identifier for the lifecycle events or for technical actions? Please elaborate.

<ESMA\_QUESTION\_SFTR\_26>

As noticed in § 136, a unique reference identifier for a lifecycle event is not mandatory and not necessary, since it is possible to identify through the UTI, the date and the type of event. We do not believe it should be introduced.

<ESMA\_QUESTION\_SFTR\_26>

1. From reporting perspective, do you foresee any drawbacks in keeping consistency with EMIR? If so, please indicate which ones?

<ESMA\_QUESTION\_SFTR\_27>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_27>

1. Are the proposed rules for determination of buyer and seller sufficient? If not, in which scenarios it might not be clear what is the direction of the trade? Which rules can be proposed to accommodate for such scenarios?

<ESMA\_QUESTION\_SFTR\_28>

Amundi believes that the rules to identify who is a buyer or a seller are not logical. First we agree with the analysis conducted as far as Repos are concerned, where we have an immediate seller who transfers securities and pledges to buy them back in the future. Thus the buyer is the counterparty which receives the securities and sends cash. In the case of securities lending practitioners never use the words buyer or seller to designate either the lender or the borrower of the securities. For the purpose of reporting we need a convention which designates who will be considered as the buyer. ESMA suggests that the lender will be called the buyer. Even if it is pure convention we believe that it would make more sense to decide the contrary. We recommend to consider the settlement of the transaction and decide that the buyer is the counterparty which receives securities, i.e. the borrower.

<ESMA\_QUESTION\_SFTR\_28>

1. Are the proposed rules consistent with the existing market conventions for determination of buyer and seller? If not, please provide alternative proposals.

<ESMA\_QUESTION\_SFTR\_29>

In the case of securities lending practitioners never use the words buyer or seller to designate either the lender or the borrower of the securities. For the purpose of reporting, we need a convention to designate who will be considered as the buyer. ESMA suggests that the lender should be called the buyer. Even if it is pure convention we believe that it would make more sense to decide the contrary. We suggest to consider the settlement of the transaction and align on the Repo, where the buyer is the counterparty which receives the securities and usually sends cash. Hence, we recommend that ESMA decides that the buyer is the counterparty which receives securities, i.e. the borrower in a securities loan.

<ESMA\_QUESTION\_SFTR\_29>

1. Are you aware of any other bilateral repo trade scenario? With the exception of tri-party agents that are documented in section 4.2.5, are there any other actors missing which is not a broker or counterparty? Please elaborate.

<ESMA\_QUESTION\_SFTR\_30>

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<ESMA\_QUESTION\_SFTR\_30>

1. Do you consider that the above scenarios also accurately capture the conclusion of buy/sell-back and sell/buy back trades? If not, what additional aspect should be included? Please elaborate.

<ESMA\_QUESTION\_SFTR\_31>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_31>

1. Do you agree with the description of the repo scenarios?

<ESMA\_QUESTION\_SFTR\_32>

In § 149 the last bullet point requires counterparties to report the original trade that has been replaced at the time of the clearing and has given birth to 2 different trades, both requiring 2 reports by each clearing member. We question the rationale for reporting the bilateral initial trade under these circumstances and trust that a proper assessment of cost/efficiency in terms of financial stability issues would conclude to the suppression of this requirement. The same applies for the following scenario 4.

We would like clarification on the production of UTIs under scenario 4. An asset manager typically transacts on behalf of a fund with an Investment bank. When clearing each side accesses the CCP agreed upon through its clearing member, which might be the same investment bank or an affiliate thereof. Shall we rely on the UTI provided by the investment bank for the initial transaction, ask the CCP to provide one for each side and link them, expect the clearing member to circulate the UTI, or any other solution we may think of. The circuit to produce UTIs on time for reporting should in our view be clarified.

<ESMA\_QUESTION\_SFTR\_32>

1. Are you aware of any other repo scenarios involving CCPs?

<ESMA\_QUESTION\_SFTR\_33>

Amundi is very attentive and follows the new developments that major CCPs work upon in order to facilitate full segregation of assets for investors clients of clearing members. We are aware of projects that would please us of “quasi” members or members of the CCP “sponsored “by a clearing member. They would facilitate operations for asset managers and be very comparable to an agency clearing. This new type of “membership” may require a new scenario to be built.

<ESMA\_QUESTION\_SFTR\_33>

1. Are there any other scenarios that should be discussed? Please elaborate.

<ESMA\_QUESTION\_SFTR\_34>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_34>

1. Do you consider that the documented scenarios capture accurately the conclusion of buy/sell-back trades? If not, what additional aspects should be considered?

<ESMA\_QUESTION\_SFTR\_35>

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<ESMA\_QUESTION\_SFTR\_35>

1. According to market practices, can buy/sell-back and sell/buy back trades involve a CCP?

<ESMA\_QUESTION\_SFTR\_36>

For the moment, Amundi does not use central clearing for SFTs on a regular basis. We keep posted and are attentive to new opportunities and trends on the issue.

<ESMA\_QUESTION\_SFTR\_36>

1. Are there any other actors missing which are not mentioned above, considering that tri-party agents are be covered in section 4.2.5? Please elaborate.

<ESMA\_QUESTION\_SFTR\_37>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_37>

1. Are there any differences in the parties involved according to the different agency lending models?

<ESMA\_QUESTION\_SFTR\_38>

Amundi does not recognise its most common way of conducting transactions among the different scenarios presented in the discussion paper. We typically identify funds that can lend securities and aggregate them in an asset pool. We trade through a broker that will act as an agent and lend a security for a given quantity out of the pool of assets of the funds. A direct transaction will be confirmed between counterparty A and the pool. At the end of the day the final allocation will be made and individual confirmations sent to each fund. The details will be sent to the counterparty and settlement will take place through one single transfer out of the common depositary of all the concerned funds.

<ESMA\_QUESTION\_SFTR\_38>

1. When would the both counterparties know the other’s identity in an undisclosed lending agreement?

<ESMA\_QUESTION\_SFTR\_39>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_39>

1. What other solution would you foresee for the reporting of trades involving the agent lender? Please elaborate.

<ESMA\_QUESTION\_SFTR\_40>

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<ESMA\_QUESTION\_SFTR\_40>

1. Would an open offer clearing model possibly apply to securities lending too?

<ESMA\_QUESTION\_SFTR\_41>

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<ESMA\_QUESTION\_SFTR\_41>

1. Would a broker be involved in addition to lending agent in such a transaction?

<ESMA\_QUESTION\_SFTR\_42>

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<ESMA\_QUESTION\_SFTR\_42>

1. Would it be possible to link the 8 trade reports to constitute the “principal clearing model” picture? If yes, would the method for linking proposed in section 4.3.4 be suitable?

<ESMA\_QUESTION\_SFTR\_43>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_43>

1. In the case of securities lending transactions are there any other actors missing, considering that tri-party agents will be covered in section 4.2.5?

<ESMA\_QUESTION\_SFTR\_44>

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<ESMA\_QUESTION\_SFTR\_44>

1. What potential issues do reporting counterparties face regarding the reporting of the market value of the securities on loan or borrowed?

<ESMA\_QUESTION\_SFTR\_45>

Daily valuation is the common regime for most funds. Asset managers do not face difficulties in valuating securities on loan (where the risk is kept by the lender) or borrowed.

<ESMA\_QUESTION\_SFTR\_45>

1. Do such securities lending transactions exist in practice?

<ESMA\_QUESTION\_SFTR\_46>

Prior to Lehman’s default, lending without collateral did exist in practice. Post crisis it is rather infrequent and particularly so in the asset management industry.

<ESMA\_QUESTION\_SFTR\_46>

1. Do you agree with the proposal to explicitly identify non-collateralised securities or commodities lending transactions in the reporting fields? Please elaborate.

<ESMA\_QUESTION\_SFTR\_47>

Knowing that the aim is financial stability, a direct access to those transactions that carry the most important risk is probably a good option. Hence a flag for the uncollateralised lending transactions should be considered.

<ESMA\_QUESTION\_SFTR\_47>

1. Would it be possible that an initially unsecured securities or commodities lending or borrowing transaction becomes collateralised at a later stage? Please provide concrete examples.

<ESMA\_QUESTION\_SFTR\_48>

Yes, how infrequent they are uncollateralised transactions are not condemned to stay open . On the contrary, there is a real trend towards systematic collateralisation and it can be envisioned that counterparties putting a transaction in place without collateral decide to add it afterwards. Conversely the practice does exist to pre-collateralise a future transaction. It is the opposite situation and Amundi believes it should be taken into account. Typically, a US counterparty will ask pre collateralisation (with a rebate) for a trade on US securities that will be settled later in the day at a time when it will be too late to transfer collateral in Europe.

<ESMA\_QUESTION\_SFTR\_48>

1. Which of the scenarios described for securities lending (Section 4.2.4.2), repo and buy-sell back (Section 4.2.4.1) are currently applicable to commodities financing transactions? Please provide a short description of the commodity financing transactions that occur under each scenario and the involved actors.

<ESMA\_QUESTION\_SFTR\_49>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_49>

1. Are you aware of commodity financing transactions that would fall in the scope of the Regulation but are not covered in the scenarios described for securities lending (Section 4.2.4.2), repo and buy-sell back (Section 4.2.4.1)? If yes, please describe the general characteristics of such a transaction.

<ESMA\_QUESTION\_SFTR\_50>

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<ESMA\_QUESTION\_SFTR\_50>

1. Are the types of transactions recognised sufficiently clear for unambiguous classification by both reporting counterparties of commodity financing transactions into one of the types?

<ESMA\_QUESTION\_SFTR\_51>

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<ESMA\_QUESTION\_SFTR\_51>

1. What additional details may help to identify the type of transactions used?

<ESMA\_QUESTION\_SFTR\_52>

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<ESMA\_QUESTION\_SFTR\_52>

1. What are the main types of commodities used in SFTs?

<ESMA\_QUESTION\_SFTR\_53>

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<ESMA\_QUESTION\_SFTR\_53>

1. How often, in your experience, are other commodities used?

<ESMA\_QUESTION\_SFTR\_54>

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<ESMA\_QUESTION\_SFTR\_54>

1. In your experience, what share of the transactions involves standardised commodity contracts, such as most traded gold and crude oil futures? Please provide concrete examples.

<ESMA\_QUESTION\_SFTR\_55>

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<ESMA\_QUESTION\_SFTR\_55>

1. In your experience, what share of the transactions involve commodities that meet the contract specification for the underlying to derivative contracts traded on at least one [EU] exchange?? If yes, please elaborate and provide concrete examples.

<ESMA\_QUESTION\_SFTR\_56>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_56>

1. Do the proposed fields and attributes in Section 6.1 sufficiently recognize the characteristics of commodity financing transactions? Please describe any issues you may see and describe any reporting attributes that should be added in order to enable meaningful reporting of commodity financing transactions.

<ESMA\_QUESTION\_SFTR\_57>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_57>

1. Could all scenarios described for securities lending, repo and buy-sell back theoretically apply to future forms of commodities financing transactions?

<ESMA\_QUESTION\_SFTR\_58>

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<ESMA\_QUESTION\_SFTR\_58>

1. Should other scenarios be considered? If yes, please describe.

<ESMA\_QUESTION\_SFTR\_59>

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<ESMA\_QUESTION\_SFTR\_59>

1. Would you agree that the ISIN could be used to uniquely identify some commodities used in SFTs? If yes, which one and what prerequisites would need to be fulfilled? If no, what alternative solution would use propose for a harmonised identification of commodities involved in SFTs?

<ESMA\_QUESTION\_SFTR\_60>

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<ESMA\_QUESTION\_SFTR\_60>

1. Would the classification as described in RTS 23 of MiFIR be the most effective way to classify commodities for the purposes of transparency under SFTR?

<ESMA\_QUESTION\_SFTR\_61>

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<ESMA\_QUESTION\_SFTR\_61>

1. Is there another classification that ESMA should consider?

<ESMA\_QUESTION\_SFTR\_62>

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<ESMA\_QUESTION\_SFTR\_62>

1. Are there transactions in which a pool of commodities is financed that the reporting needs to take into account? Please provide concrete examples.

<ESMA\_QUESTION\_SFTR\_63>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_63>

1. Do you agree with this basic scenario? If no, please explain what changes would need to be made to the scenario.

<ESMA\_QUESTION\_SFTR\_64>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_64>

1. Are there other entities that do not act as counterparties but can be involved in the transaction chain (e.g. brokers or intermediaries)?

<ESMA\_QUESTION\_SFTR\_65>

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<ESMA\_QUESTION\_SFTR\_65>

1. Are there standard margin agreements used in the market? If yes, which ones? If no, are there standard elements in margin agreements in the EU that are noteworthy from a financial stability perspective and not included in the list of questions or current data tables included in Section 6.1?

<ESMA\_QUESTION\_SFTR\_66>

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<ESMA\_QUESTION\_SFTR\_66>

1. Are there margin loans that do not have a fixed maturity or repayment date, or other conditions in the agreement on which full or partial repayment of the loan can be conditioned?

<ESMA\_QUESTION\_SFTR\_67>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_67>

1. Are floating rates used in margin lending transactions? Are there specificities that ESMA should be aware of regarding interest rates in the context of margin lending transactions?

<ESMA\_QUESTION\_SFTR\_68>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_68>

1. What potential issues do reporting counterparties face regarding the reporting of margin account/credit balances?

<ESMA\_QUESTION\_SFTR\_69>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_69>

1. How is information regarding the market value of short positions in the context of margin lending used by the lender (if at all)?

<ESMA\_QUESTION\_SFTR\_70>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_70>

1. What kind of provisions do lenders have in place to limit or mitigate client losses from short positions?

<ESMA\_QUESTION\_SFTR\_71>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_71>

1. Do you foresee any issues with reporting information on SFT involving tri-party by the T+1 reporting deadline? If so, which ones – availability of collateral data, timeliness of the information, etc.? Please elaborate.

<ESMA\_QUESTION\_SFTR\_72>

Amundi believes that within the framework of a tri party agreement there is room for several scenarios. The general statement that tri –party agents are not reporting entities in §184 is not sufficient to avoid further describing the organisation and scenarios of such transactions. The mechanisms for identification of each final client in a global portfolio, of assets , the legal regime of these pools, the relationship with the depository in case of a fund… are questions which should be considered.

With a question about T+1 end of day reporting, Amundi confirms that the intervention of a third party to manage collateral creates a delay for the asset manager to get the exact confirmation of the composition of the collateral. It makes it difficult to achieve a reporting on T+1. An extra day will be necessary in most instances, especially with an agent based in a different time zone. However, we have not yet discussed with the agents we use in tri party agreements to know whether they intend to report directly to the TR on our behalf. The most efficient way to meet the T+1 limit would be to ask the agent to report and it can only happen if we can transfer the final responsibility for the reporting.

<ESMA\_QUESTION\_SFTR\_72>

1. Would you agree with the proposed split between the counterparty and transaction data?

<ESMA\_QUESTION\_SFTR\_73>

As a general principle, Amundi opposes the dual sided reporting which has proved burdensome and has not yet stabilised under EMIR. Splitting data in two buckets is a fair proposition. However we insist on the key issue in our view : fields to be populated should be classified. They are not all of the same importance. Small discrepancies in transaction data provided by both sides should not block validation of the report. Data on counterparties which are not of prime importance to allow identification should as well not be mandatory nor create a rejection of the report.

<ESMA\_QUESTION\_SFTR\_73>

1. Is the reporting of the country code sufficient to identify branches? If no, what additional elements would SFT reporting need to include?

<ESMA\_QUESTION\_SFTR\_74>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_74>

1. Do you foresee any costs in implementing such type of identification?

<ESMA\_QUESTION\_SFTR\_75>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_75>

1. Would it be possible to establish a more granular identification of the branches? If yes, what additional elements would SFT reporting need to include and what would be the associated costs?

<ESMA\_QUESTION\_SFTR\_76>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_76>

1. What are the potential benefits of more granular identification of branches? Please elaborate.

<ESMA\_QUESTION\_SFTR\_77>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_77>

1. Are there any situations different from the described above where the actual transfers between headquarters and branches or between branches can be considered transactions and therefore be reportable under SFTR? Please provide specific examples.

<ESMA\_QUESTION\_SFTR\_78>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_78>

1. Are there any other cases which are not identified above, where the beneficiaries and the counterparties will be different? Please elaborate.

<ESMA\_QUESTION\_SFTR\_79>

In Amundi’s experience the compartment or subfund of an umbrella fund is identified by a specific LEI. It is not the case for each share class. But transactions are not legally conducted at the level of the share class. Consequently we do not see difficulties in identifying the beneficiary of a SFT in the case of a fund. In case of a mandate in a managed account, the LEI will identify the firm but not the portfolio, which seems appropriate legally, knowing that the accounting should be very specific on the portfolio concerned.

<ESMA\_QUESTION\_SFTR\_79>

1. Do you agree with the proposal to link the legs of a cleared transaction by using a common identifier?

<ESMA\_QUESTION\_SFTR\_80>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_80>

1. Could you suggest robust alternative ways of linking SFT reports?

<ESMA\_QUESTION\_SFTR\_81>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_81>

1. Are the different cases of collateral allocation accurately described in paragraphs 221-226? If not, please indicate the relevant differences with market practices and please describe the availability of information for each and every case?

<ESMA\_QUESTION\_SFTR\_82>

Two types of transactions imply a time difference between trade and collateral. First in case of pre-collateralisation when collateral is transferred ahead of the transaction with a view to secure its proper settlement, ESMA foresees that the reporting should take place at the time when the first cash leg is opened. Second, in case of Free of Payment transaction, the trade date is unknown because it depends on the transfer agreement between concerned custodians. The trader can only estimate it at best and the collateral will be transferred on time for the estimated settlement date. In many instances, collateral will not be transferred at the date of transfer of the underlying securities. It will create distortions in data produced in the reporting and make an aggregate view misleading.

<ESMA\_QUESTION\_SFTR\_82>

1. Is the assumption correct that manly securities lending would require the reporting of cash collateral? If no, for which other types of SFTs is the cash collateral element required? Please elaborate.

<ESMA\_QUESTION\_SFTR\_83>

In Amundi’s experience securities lending is to a very high degree, say around 80%, subject to securities and not cash collateral. The reason for this attitude is enhanced investor protection thanks to the efficient segregation of securities compared to cash in case of default. Moreover the trend towards securities collateral amplifies with the low or negative interest rate environment. Conversely, Repos usually have a cash leg.

<ESMA\_QUESTION\_SFTR\_83>

1. Does the practice to collateralise a transaction in several amounts in different currencies exist? Please elaborate.

<ESMA\_QUESTION\_SFTR\_84>

Yes, counterparties agree on eligible collateral and different currencies are eligible in most collateral schedules. Appropriate haircut applies to cover the exchange risk. In any case it should be considered as nothing prevents it.

<ESMA\_QUESTION\_SFTR\_84>

1. Do you foresee any issues on reporting the specified information for individual securities or commodities provided as collateral? If yes, please elaborate.

<ESMA\_QUESTION\_SFTR\_85>

We are surprised that ESMA asks for reporting data that are redundant. We believe that the ISIN code (field 4) is sufficient to identify a security and get such information as maturity (field 15).

<ESMA\_QUESTION\_SFTR\_85>

1. Are there any situations in which there can be multiple haircuts (one per each collateral element) for a given SFT? Please elaborate.

<ESMA\_QUESTION\_SFTR\_86>

Yes. Typically our collateral policy provides for a general overcollateralization and then defines coefficients to be applied to different types of collateral provided. Govies will not be weighted the same way as equities.

<ESMA\_QUESTION\_SFTR\_86>

1. Would you agree that the reporting counterparties can provide a unique identification of the collateral pool in their initial reporting of an SFT? If no, please provide the reasons as to why this would not be the case.

<ESMA\_QUESTION\_SFTR\_87>

We understand that ESMA has in mind the pool in the hands of the third party agent in a tri party agreement when using the word “pool”. However, we think that the issue of identifying asset pools when lending securities that belong globally to a pool of different funds should be discussed. If an ISIN or a LEI is not the appropriate way of identification, we believe that alpha numeric designation would be appropriate in order to confirm the SFT as a single deal irrespective of the number of funds that participate to the pool and will effectively be in a position to lend.

<ESMA\_QUESTION\_SFTR\_87>

1. Are there cases where a counterparties to a repo, including those executed against a collateral pool, would not be able to provide the collateral with the initial reporting of the repo trade? If yes, please explain.

<ESMA\_QUESTION\_SFTR\_88>

Yes. When using an agent as third party to manage the collateral in a tri party agreement, there is a delay in the communication of the collateral. We think that the T+1 deadline could only be met if the agent would report directly to the TR. However this brings the question of the entity responsible for the report: if made directly by the agent, the responsibility should not stay with the asset manager.

<ESMA\_QUESTION\_SFTR\_88>

1. Are there any issues to report the collateral allocation based on the aforementioned approach? Please elaborate.

<ESMA\_QUESTION\_SFTR\_89>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_89>

1. In the case of collateral pool, which of the data elements included in Table 1 would be reported by the T+1 reporting deadline? Please elaborate.

<ESMA\_QUESTION\_SFTR\_90>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_90>

1. Which option for reporting of collateral would be in your opinion easier to implement, i.e. always reporting of collateral in a separate message (option 2) or reporting of collateral together with other transaction data when the collateral is known by the reporting deadline (option 1)?

<ESMA\_QUESTION\_SFTR\_91>

The option should be decided rapidly as it impacts the architecture of the systems and the organisational process.

<ESMA\_QUESTION\_SFTR\_91>

1. What are the benefits and potential challenges related to either approach? Please elaborate.

<ESMA\_QUESTION\_SFTR\_92>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_92>

1. Do you foresee any challenges with the proposed approach for reporting updates to collateral? What alternatives would you propose? Please elaborate.

<ESMA\_QUESTION\_SFTR\_93>

We agree with ESMA to favour reporting of the new composition of collateral.

<ESMA\_QUESTION\_SFTR\_93>

1. Is it possible to link the reports on changes in collateral resulting from the net exposure to the original SFT transactions via a unique portfolio identifier, which could be added to the original transactions when they are reported?

<ESMA\_QUESTION\_SFTR\_94>

Counterparties take a global view of their transactions and collateral is usually managed at the level of the position existing between two entities. We agree that the introduction of a common identifier is helpful to designate the portfolio of SFTs covered by the global collateral.

<ESMA\_QUESTION\_SFTR\_94>

1. Do you foresee any difficulties related to the linking of the collateral report to the underlying SFTs by specifying UTIs of those SFTs in the collateral report?

<ESMA\_QUESTION\_SFTR\_95>

Listing the UTI of all concerned SFTs will be burdensome in case of numerous transactions and will not bring much information relevant for financial stability supervision.

<ESMA\_QUESTION\_SFTR\_95>

1. Are there additional options to uniquely link a list of collateral to the exposure of several SFTs to those specified? If yes, please detail them.

<ESMA\_QUESTION\_SFTR\_96>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_96>

1. What would you deem to be the appropriate option to uniquely link collateral to the exposure of several SFTs? Are you using any pro-rata allocation for internal purposes? What is the current market practice for linking a set of collateralised trades with a collateral portfolio? Please elaborate.

<ESMA\_QUESTION\_SFTR\_97>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_97>

1. Do you foresee any issues between the logic for linking collateral data and the reporting of SFT loan data? Please elaborate.

<ESMA\_QUESTION\_SFTR\_98>

Yes. The GMSL master agreement for securities lending provides for a collateral managed at the level of the position. The collateral should cover the risk exposure that globally exists between two counterparties. It is simply not workable to try and link collateral with a specific SFT. The more so when collateral is managed through a tri party agent who will allocate collateral among funds.

<ESMA\_QUESTION\_SFTR\_98>

1. Do you agree with the description of funding sources mentioned above?

<ESMA\_QUESTION\_SFTR\_99>

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<ESMA\_QUESTION\_SFTR\_99>

1. Are there other funding sources used in the context of margin lending?

<ESMA\_QUESTION\_SFTR\_100>

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<ESMA\_QUESTION\_SFTR\_100>

1. What are the obstacles to lenders reporting the market value of funding sources?

<ESMA\_QUESTION\_SFTR\_101>

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<ESMA\_QUESTION\_SFTR\_101>

1. Would reporting pro-rata amounts address some of the challenges or facilitate reporting?

<ESMA\_QUESTION\_SFTR\_102>

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<ESMA\_QUESTION\_SFTR\_102>

1. Should the cash in the margin accounts be considered also as part of the collateral for a given margin lending transaction? Please elaborate.

<ESMA\_QUESTION\_SFTR\_103>

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<ESMA\_QUESTION\_SFTR\_103>

1. What are the metrics used (other than LTV ratios) to monitor leverage from margin lending, and more broadly to address risks related to the value of collateral? How are these calculated?

<ESMA\_QUESTION\_SFTR\_104>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_104>

1. Using these metrics, what are the current limits or thresholds used by margin lenders that will trigger a collateral action? How are these limits determined? Are there different thresholds triggering different actions? Can they vary over time, and for what reasons?

<ESMA\_QUESTION\_SFTR\_105>

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<ESMA\_QUESTION\_SFTR\_105>

1. What kind of collateral actions can be triggered by crossing these limits or thresholds? Please describe the actions, their impact on the metrics described in Question 13, and the potential associated changes in limits or thresholds.

<ESMA\_QUESTION\_SFTR\_106>

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<ESMA\_QUESTION\_SFTR\_106>

1. Are there any other important features, market practices or risks that you would like to bring to our attention in the context of margin lending?

<ESMA\_QUESTION\_SFTR\_107>

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<ESMA\_QUESTION\_SFTR\_107>

1. Do you have any alternative proposals for reporting information related to funding sources that might reduce the burden on reporting entities?

<ESMA\_QUESTION\_SFTR\_108>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_108>

1. Do you agree with the collateralisation and margin lending practices described above? Are there instances where margin loans are not provided (or haircuts applied) on a portfolio basis?

<ESMA\_QUESTION\_SFTR\_109>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_109>

1. What are the potential obstacles to reporting information regarding the individual securities set aside in margin accounts by the lender?

<ESMA\_QUESTION\_SFTR\_110>

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<ESMA\_QUESTION\_SFTR\_110>

1. Would you agree that in the context of margin lending the entire collateral portfolio, i.e. both cash and securities, would require reporting? If no, please explain.

<ESMA\_QUESTION\_SFTR\_111>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_111>

1. What are the obstacles to the reporting of reuse of collateral for transactions where there is no transfer of title? What are the current market practices aimed at mitigating risks from collateral re-use specifically in the context of margin lending?

<ESMA\_QUESTION\_SFTR\_112>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_112>

1. What options exist to link collateral that is re-used to a given SFT or counterparty? Please document the potential issues.

<ESMA\_QUESTION\_SFTR\_113>

We refer to the paper published by FSB, with a consultation closing as well on the 22d of April, where 3 options are presented. We consider that the approach for estimating the proportion of re-use of collateral should be made according to the second option, at a global level and for a given type of securities using a percentage of the collateral posted based on the proportion of (i) collateral received and eligible for reuse and (ii) the sum of the same plus own assets. We do think that it is difficult to follow an SFT per SFT approach as collateral is more and more managed at a consolidated level. More precisely, it is impossible for securities lending but possible for repos.

Furthermore, we insist on the fact that re-use is a non-existing issue for UCITS which are prevented on the one hand to reuse collateral received and strictly limited when it comes to reinvest cash collateral and on the other hand have to forbid depositories to (re-) use their assets.

<ESMA\_QUESTION\_SFTR\_113>

1. In which cases can the re-use be defined at transaction level?

<ESMA\_QUESTION\_SFTR\_114>

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<ESMA\_QUESTION\_SFTR\_114>

1. Do you see other ways to calculate the collateral re-use for a given SFT?

<ESMA\_QUESTION\_SFTR\_115>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_115>

1. Are there any circumstances in which the re-use percentage applied at entity level could not be calculated for a given security (e.g. per ISIN)?

<ESMA\_QUESTION\_SFTR\_116>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_116>

1. Which alternatives do you see to estimate the collateral re-use?

<ESMA\_QUESTION\_SFTR\_117>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_117>

1. When the information on collateral availability for re-use becomes available? On trade date (T) or at the latest by T+1?

<ESMA\_QUESTION\_SFTR\_118>

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<ESMA\_QUESTION\_SFTR\_118>

1. Is it possible to automatically derive the collateral re-use in some cases given the nature of the SFT (meaning based on the GMRA, GMSLA or other forms of legal agreements)? If yes, please describe these cases and how the information could be derived. Please explain if deviations could be drafted within legal agreements to deviate from the re-usability.

<ESMA\_QUESTION\_SFTR\_119>

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<ESMA\_QUESTION\_SFTR\_119>

1. Do you agree with the rationale for collection of information on the settlement set out in this section?

<ESMA\_QUESTION\_SFTR\_120>

We are not totally convinced that there is a need for reporting the CSD and CSD member firm that will proceed with the settlement. We think that the first role of a CSD is to notarize transfers. Reporting failures of delivery or settlement is of relevance but we do not think that the initial declaration of the settlement circuit adds value to the report.

<ESMA\_QUESTION\_SFTR\_120>

1. Do you consider that information on settlement supports the identification and monitoring of financial stability risks entailed by SFTs?

<ESMA\_QUESTION\_SFTR\_121>

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<ESMA\_QUESTION\_SFTR\_121>

1. Do you agree with the approach to identify the settlement information in the SFT reports?

<ESMA\_QUESTION\_SFTR\_122>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_122>

1. Do you envisage any difficulties with identifying the place of settlement?

<ESMA\_QUESTION\_SFTR\_123>

The settlement is made by the depository of the fund. The back office of the asset management company will try and confirm the place of custody which determines the circuit for settlement. However, it is not available at the time of the negotiation and might delay reporting.

<ESMA\_QUESTION\_SFTR\_123>

1. Are there any practical difficulties with identifying CSDs and indirect or direct participants as well as, if applicable, settlement internalisers in the SFT reports? Would this information be available by the reporting deadline? Please elaborate.

<ESMA\_QUESTION\_SFTR\_124>

Yes. As for the place of settlement this information will be confirmed by the back office , which implies a delay of processing when comparing with data that are directly confirmed at the time of the negotiation.

<ESMA\_QUESTION\_SFTR\_124>

1. Will this information be available by the reporting deadline? What are the costs of providing this information?

<ESMA\_QUESTION\_SFTR\_125>

Amundi is concerned with the requirement to report not only the master agreement (field10) applying for a SFT but its version (field 11) and the application of annexes (field 12)

<ESMA\_QUESTION\_SFTR\_125>

1. What other data elements are needed to achieve the required supervisory objectives? Please elaborate.

<ESMA\_QUESTION\_SFTR\_126>

Amundi strongly believes that there should be a clear difference between fields that are necessary and those that are for information only as they are superfluous when considering other fields that provide non ambiguous data enabling to easily access complementary related information. Those last complementary items should not be required as mandatory. We estimate that the list of non-mandatory fields could be enlarged but the list of mandatory fields should be reduced to those which are absolutely necessary.

<ESMA\_QUESTION\_SFTR\_126>

1. Do you agree with the proposed categories of trading methods to be reported by SFT counterparties?

<ESMA\_QUESTION\_SFTR\_127>

In our opinion it is more relevant to follow the process of a transaction in order to identify the different channels. We see on one side voice transactions made through telephone and at the other end transactions that are totally automated with algorithms that do not require any human intervention to originate and execute orders (what is not frequent on SFTs). In between there are different types of platforms which can be accessed for confirmation of a deal negotiated on voice or through a screen. They very much look like the Automated trading systems in§ 282. Other platforms can only be accessed through an interactive screen and are dedicated to negotiation and lead to straight through back-office process. They seem to be designated as Automatic trading systems. We wonder whether we correctly interpret §282 and think that further clarification is necessary.

<ESMA\_QUESTION\_SFTR\_127>

1. Are there any other methods of trading that are not covered?

<ESMA\_QUESTION\_SFTR\_128>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_128>

1. Do you agree with the proposed types of validations? Would you include any further validations? If so which ones? Please elaborate.

<ESMA\_QUESTION\_SFTR\_129>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_129>

1. Do you agree with the proposed scope of the reconciliation process? Should trades expired or terminated more than a month before the day on which reconciliation takes place be included in the reconciliation process? Please elaborate.

<ESMA\_QUESTION\_SFTR\_130>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_130>

1. What is the earliest time by which the reconciliation process can be completed? If not, please indicate what other characteristics need to be included? Please elaborate.

<ESMA\_QUESTION\_SFTR\_131>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_131>

1. Do you foresee issues with following the EMIR approach on reconciliation of data for SFT? What other approaches for reconciliation of transactions exist? How many data elements are reconciled under those approaches? What is the timeframe of reconciliation under those approaches? Please elaborate.

<ESMA\_QUESTION\_SFTR\_132>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_132>

1. What are the expected benefits from full reconciliation? What are the potential costs from TR and counterparty perspective to adopt a full reconciliation approach? In terms of the matching of data, which of the data fields included in Section 6.1 can be fully reconciled and for which ones certain degrees of tolerance has to be applied? Please provide concrete examples. Please elaborate.

<ESMA\_QUESTION\_SFTR\_133>

EMIR experience is very informative on the drawbacks of dual sided reporting. There are many rejections that only result from unimportant discrepancies that are not significant or without any relevant impact. ESMA is right to consider in §292 introducing some flexibility and accepting proportionality in view of the cost of a full reconciliation. The first step in that process would be to split fields between those which are mandatory and those which are optional and, decide a limited list of fields which are not only mandatory but also blocking.

<ESMA\_QUESTION\_SFTR\_133>

1. Do you foresee any potential issues with establishing a separate reconciliation process for collateral data? What data elements have to be included in the collateral reconciliation process? Alternatively, should collateral data be reconciled for each collateralised SFT individually? What would be the costs of each alternative? Please elaborate.

<ESMA\_QUESTION\_SFTR\_134>

The timing for the collateral and the transaction is not the same and the process to manage collateral is independent from the life cycle of the initial transaction. As a consequence, we believe that the reconciliation process for collateral can only be separate. Due to the numerous changes and amendments in the collateral over a day, we believe that even an end of day reconciliation will be difficult to make on T+1, especially when we use a triparty agent based in a different time zone.

<ESMA\_QUESTION\_SFTR\_134>

1. What additional feedback information should be provided to the reporting counterparties? What should be the level of standardisations? What would be the benefits of potential standardisation of the feedback messages? Do you agree with the proposed timing for feedback messages?

<ESMA\_QUESTION\_SFTR\_135>

We insist on the total standardisation of feedback reports that we shall receive from different sources if we use different TRs. We urge ESMA to examine ALD reports that counterparties exchange on Equilend (or other comparable tools) for securities loans. They prove both efficient for a proper control of the situation and workable to produce on a timely basis. They remain focused on those fields that are necessary in order to assess the situation and should help ESMA in defining the minimum number of fields absolutely mandatory that would produce a rejection if not properly populated.

<ESMA\_QUESTION\_SFTR\_135>

1. Would you be favourable of a more granular approach for public data than the one under EMIR? Would you be favourable of having public data as granular as suggested in the FSB November 2015 report? What are the potential costs and benefits of such granular information? Please elaborate.

<ESMA\_QUESTION\_SFTR\_136>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_136>

1. In terms of criteria for aggregation, which of the following aspects ones are most important to be taken into account – venue of execution of the SFT, cleared or not, way to transfer of collateral? What other aspects have to be taken into account for the purposes of the public aggregations? Please elaborate.

<ESMA\_QUESTION\_SFTR\_137>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_137>

1. Do you foresee any issues with publishing aggregate data on a weekly basis? Please elaborate.

<ESMA\_QUESTION\_SFTR\_138>

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<ESMA\_QUESTION\_SFTR\_138>

1. At which point in time do you consider that the additional data elements regarding the reconciliation or rejection status of an SFT will be available? What are the potential costs of the inclusion of the above mentioned additional data elements? What other data elements could be generated by the TRs and provided to authorities? Please elaborate.

<ESMA\_QUESTION\_SFTR\_139>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_139>

1. Do you consider that all the relevant data elements for generation of the above reports will be available on time? What are the potential costs of the generation of above mentioned transaction reports? What are the benefits of the above mentioned transaction reports? What other transaction reports would you suggest to be provided by the TRs? Please elaborate.

<ESMA\_QUESTION\_SFTR\_140>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_140>

1. Do you consider that all the relevant data elements for calculation of the above reports will be available on time?

<ESMA\_QUESTION\_SFTR\_141>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_141>

1. What are the potential costs of the generation of above mentioned position reports? other reports would you suggest to be provided by the TRs? Please elaborate.

<ESMA\_QUESTION\_SFTR\_142>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_142>

1. Do you consider that there should be one position report including both reconciled and non-reconciled data or that there should be two position reports, one containing only reconciled data and the other - one only non-reconciled data? What are the potential costs of the separation of above mentioned position reports? What are the benefits of the separation above mentioned position reports? Please elaborate.

<ESMA\_QUESTION\_SFTR\_143>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_143>

1. Do you foresee any technical issues with the implementation of XSD in accordance with ISO 20022? Do you foresee any potential issues related to the use of same cut-off time across TRs? Do you foresee any drawbacks from establishing standardised xml template in accordance with ISO 20022 methodology for the aggregation and comparison of data? Please elaborate.

<ESMA\_QUESTION\_SFTR\_144>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_144>

1. Further to the aforementioned aspects, are there any other measures that have to be taken to avoid double counting? Please elaborate.

<ESMA\_QUESTION\_SFTR\_145>

Amundi believes that the most efficient way to avoid double counting is to establish clear rules on who is responsible for establishing a single sided report.

<ESMA\_QUESTION\_SFTR\_145>