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| Date: 30 September 2016 |

Responding to this paper

The European Securities and Markets Authority (ESMA) invites responses to the specific questions listed in Draft RTS and ITS under SFTR and amendments to related EMIR RTS, 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\_CP\_SFTR\_NAMEOFCOMPANY\_NAMEOFDOCUMENT.

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

ESMA\_CP\_SFTR\_XXXX\_REPLYFORM or

ESMA\_CP\_SFTR\_XXXX\_ANNEX1

***Deadline***

Responses must reach us by **30 November 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>

AFME would like to thank ESMA for the opportunity to respond to this consultation and to express our members firm support in guaranteeing thorough transparency of SFT reporting. AFME appreciates the fact that ESMA has taken on board several suggestions made by AFME’s members with respect to margin lending, nevertheless we would like to point out the following general observations which we have also incorporated in our response.

1. Triggers for reporting in the context of margin lending

Prime brokerage is primarily a post-trade financing and custody service and the relevant SFTs in a prime brokerage context (i.e., margin loans and securities loans) are made against a pool of collateral without linking these SFTs to a particular item of collateral. The reporting that is provided by prime brokers to their clients is typically provided as a snapshot of the status of the prime brokerage accounts at the end of a business day.

It is for this reason that both the FSB Data Experts Group’s margin lending template and the UK Financial Conduct Authority’s CASS 9 reporting requirements (which were both prepared specifically in the context of prime brokerage services) require a similar snapshot of position level information for prime brokerage accounts. Importantly neither regime includes data fields that relate to the execution. These matters are not as relevant for margin loans, as margin loans are not tied to particular transactions, but are rather made against the entire client portfolio, and are based on various factors, including credit quality of the client, the credit quality of the collateral, the hedging synergies and the concentration risk of the portfolio.

Therefore, Prime Brokers understand that they would only need to provide reporting where a short market value or a margin loan exists. If there is a net credit cash balance and no short market value it is understood that there is no need for an SFT reporting as no financing has taken place.

1. Execution Timestamp & UTI

Unlike EMIR, SFTR does not currently define “execution” causing Prime Brokers uncertainty as to how AFME members should populate the “Execution Timestamp”. In the context of Prime Broker margin lending, we propose that the “Execution Timestamp” be the close of business day that the margin lending facility is opened and preserved, along with the UTI for the life of the facility.

1. Format of “Loan & Collateral” data reporting

AFME members would like to note that the current format of ‘loan & collateral’ data template is not adequate for the purposes of margin lending reporting. As illustrated in our comments to the reporting tables, fields 23-32b should be repeated for each currency component of a margin loan. Additionally, AFME believes two new fields will need to be introduced (32a: Margin Lending currency amount and 32b: Margin Lending currency) to identify different reporting currencies.

Furthermore, although AFME is supportive of the use of LEI when available we would like to note that when unavailable we propose to use an internal identifier instead.

1. Reporting of re-use

As highlighted in our response below, AFME members believe reporting of re-use on a daily basis is problematic and the implementation of such regulatory requirement would cause substantial implementation costs. Therefore, AFME would like to endorse ICMA’s suggestion of reporting re-use on a monthly, not on a daily basis.

<ESMA\_COMMENT\_SFTR\_1>

1. Do you agree with the above proposals? What else needs to be considered? What are the potential costs and benefits of those? Please elaborate.

<ESMA\_QUESTION\_SFTR\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_1>

1. Do you agree with the above proposals? What else needs to be considered? What are the potential costs and benefits of those? Please elaborate.

<ESMA\_QUESTION\_SFTR\_2>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_2>

1. Do you agree with the above proposals? What else needs to be considered? What are the potential costs and benefits of those? Please elaborate.

<ESMA\_QUESTION\_SFTR\_3>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_3>

1. Do you consider that the currently used classification of counterparties is granular enough to provide information on the classification of the relevant counterparties? Alternatively, would the SNA be a proper way to classify them? Please elaborate.

<ESMA\_QUESTION\_SFTR\_4>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_4>

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

<ESMA\_QUESTION\_SFTR\_5>

We do not foresee any issues in identifying the counterparties of an SFT trade following the definitions in paragraphs 92-97 of the consultation paper .

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_5>

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

<ESMA\_QUESTION\_SFTR\_6>

TYPE YOUR ANSWER HERE

<ESMA\_QUESTION\_SFTR\_6>

1. Based on your experience, do you consider that the conditions detailed in paragraph 106 hold for CCP-cleared SFTs? Please elaborate.

<ESMA\_QUESTION\_SFTR\_7>

As per the repoting tables, this is not applicable for margin lending

<ESMA\_QUESTION\_SFTR\_7>

1. In the case of CCP-cleared SFT trades, is it always possible to assign and report collateral valuation and margin to separately concluded SFTs? If not, would this impair the possibility for the counterparties to comply with the reporting obligation under Article 4 SFTR? Please provide concrete examples.

<ESMA\_QUESTION\_SFTR\_8>

As per the repoting tables, this is not applicable for margin lending

 <ESMA\_QUESTION\_SFTR\_8>

1. Would the suggested data elements allow for accurate reporting at individual SFT level and CCP-cleared position level? in line with approach described above?

<ESMA\_QUESTION\_SFTR\_9>

Prime brokerage is primarily a post-trade financing and custody service and the relevant SFTs in a prime brokerage context (i.e., margin loans and securities loans) are made against a pool of collateral without linking these SFTs to a particular item of collateral. The reporting that is provided by prime brokers to their clients is typically provided as a snapshot of the status of the prime brokerage accounts at the end of a particular business day (please see further details below). A margin loan exists when the client’s prime brokerage account contains a net debit cash balance. If the client has a net credit cash balance, no margin loan exists.

It is for this reason that both the FSB Data Experts Group’s margin lending template and the UK Financial Conduct Authority’s CASS 9 reporting requirements (which were both prepared specifically in the context of prime brokerage services) require a similar snapshot of position level information for prime brokerage accounts. Importantly neither regime includes data fields that relate to the execution. These matters are not as relevant for margin loans, as margin loans are not tied to particular transactions, but are rather made against the entire client portfolio, and are based on various factors, including credit quality of the client, the credit quality of the collateral, the hedging synergies and the concentration risk of the portfolio.

It is very difficult to see how comprehensive information about margin lending could be reported at individual SFT level or how such data would provide meaningful or useful information in the margin lending context.

However, AFME would like to note that the current format of ‘loan & collateral’ data is not adequate for the purposes of margin lending reporting. As illustrated in our comments to the reporting tables, fields 23-32b should be repeated for each currency component of a margin loan. Additionally, AFME believes two new fields will need to be introduced (32a: Margin Lending currency amount and 32b: Margin Lending currency) to identify different reporting currencies.

Furthermore, although AFME is supportive of the use of LEI when available we would like to note that when unavailable we propose to use an internal identifier instead.

<ESMA\_QUESTION\_SFTR\_9>

1. If so, are there any specific issues that need to be taken into account to adapt the EMIR approach to the SFT reporting?

<ESMA\_QUESTION\_SFTR\_10>

AFME acknowledges that margin loans will be reported end of day at base currency. We would like to note however, that the current format of ‘loan & collateral’ data is not adequate for the purposes of margin lending reporting. As illustrated in our comments to the reporting tables, fields 23-32b should be repeated for each currency component of a margin loan. Additionally, AFME believes two new fields will need to be introduced (32a: Margin Lending currency amount and 32b: Margin Lending currency) to identify different reporting currencies.

Furthermore, although AFME is supportive of the use of LEI when available we would like to note that when unavailable we propose to use an internal identifier instead.

<ESMA\_QUESTION\_SFTR\_10>

1. Do you agree with the proposed report types and action types? Do you agree with the proposed combinations between action types and report types? What other aspects need to be considered? Please elaborate.

<ESMA\_QUESTION\_SFTR\_11>

We don’t think that two types of modification are necessary (consistency with EMIR would only require one type of modification and we see no reason to go beyond that). Having two modification action types introduces unnecessary scope for two counterparties to the same trade to report in a different manner. If both types of modifications remain, ESMA would need to provide clear and exhaustive guidance on exactly which modification type is applicable to each data element field within the tables. Our strong preference is for one modification action type (i.e., “Modification”) to be required.

Also, we note that the ‘action types’ in Tables 1 and 2 on pages 41 and 43 of the CP do not match, and suggest that they should be made consistent with each other.

<ESMA\_QUESTION\_SFTR\_11>

1. The modifications of which data elements should be reported under action type “Modification of business terms”? Please justify your proposals.

<ESMA\_QUESTION\_SFTR\_12>

As per our response to question 11, we ask that ESMA provide clarity on the rationale behind there being two different modification types. This is not consistent with existing EMIR reporting or the new EMIR RTS which includes just one action type relating to modifications.

If the two separate modification types remain any changes to the economic terms of the transaction (e.g., loan and collateral data in Table 2 that is relevant to margin lending) could be reported under action type “Modification of business terms”. However, if all changes to any of the loan and collateral data fields must be reported as modifications, a significant volume of data would be reported on a daily basis.

If the two separate modification types remain ESMA should provide a complete list of all data elements that should be reported under each type of modification.

Broadly speaking we would expect that loan data and collateral data to be modification of business terms and any changes to counterparty data elements to be reported under other modification.

<ESMA\_QUESTION\_SFTR\_12>

1. The modifications of which data elements should be reported under action type “Other modification”? Please justify your proposals.

<ESMA\_QUESTION\_SFTR\_13>

We don’t think that two types of modification are necessary (consistency with EMIR would only require one type of modification and we see no reason to go beyond that). If both types of modifications remain, ESMA would need to provide clear and exhaustive guidance on exactly which modification type is applicable to each data element field within the tables. Our strong preference is for one modification action type (i.e., “Modification”) to be required.

In addition, having two modification action types introduces unnecessary scope for two counterparties to the same trade to report in a different manner.

<ESMA\_QUESTION\_SFTR\_13>

1. Do you agree with the revised proposal to use the terms “collateral taker” and “collateral giver” for all types of SFTs?

<ESMA\_QUESTION\_SFTR\_14>

Yes, we agree with the revised proposal to use the terms “collateral taker” and ‘collateral giver” for prime brokerage margin loans.

<ESMA\_QUESTION\_SFTR\_14>

1. Are the proposed rules for determination of the collateral taker and collateral giver clear and comprehensive?

<ESMA\_QUESTION\_SFTR\_15>

In the context of prime brokerage margin lending, we believe that the proposed rules for determination of the collateral taker and collateral giver are clear and comprehensive

<ESMA\_QUESTION\_SFTR\_15>

1. Are you aware of any other bilateral repo trade scenario? Are there any other actors missing which is not a broker or counterparty? Please elaborate.

<ESMA\_QUESTION\_SFTR\_16>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_16>

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\_17>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_17>

1. Are the most relevant ways to conclude a repo trade covered by the above scenarios? Are the assumptions correct? Please elaborate.

<ESMA\_QUESTION\_SFTR\_18>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_18>

1. Are the most relevant ways to conclude a repo trade covered by the above scenarios? Are the assumptions correct? Please elaborate.

<ESMA\_QUESTION\_SFTR\_19>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_19>

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\_20>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_20>

1. In the case of securities lending transactions are there any other actors missing?

<ESMA\_QUESTION\_SFTR\_21>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_21>

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\_22>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_22>

1. Do you agree with the proposal with regards to reporting of uncollateralised SFTs? Please elaborate.

<ESMA\_QUESTION\_SFTR\_23>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_23>

1. Do you agree with the proposal with regards to reporting of SFTs involving commodities? Please elaborate.

<ESMA\_QUESTION\_SFTR\_24>

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<ESMA\_QUESTION\_SFTR\_24>

1. Are there any obstacles to daily position reporting by margin lending counterparties? Do prime brokers provide information to their clients about intraday margin loans?

<ESMA\_QUESTION\_SFTR\_25>

We do not see any obstacles to daily position reporting by margin lending counterparties, as this is generally what prime brokers already provide in daily reports to their clients.

Prime brokers generally report a close of business snapshot of activities from the day before, and don’t typically provide intra-day updates.

<ESMA\_QUESTION\_SFTR\_25>

1. Which kind of guarantees or indemnifications exist in relationship to prime brokerage margin lending? Are there other parties possibly involved in a margin loan? Please provide an example.

<ESMA\_QUESTION\_SFTR\_26>

Prime brokerage typically maintain rather straightforward bi-lateral relationships with their clients, without the need for guarantees or indemnities on top of the required client collateral (other than, possibly, in a default scenario). To the extent that prime brokerage clients have in place parent guarantees, this has no impact on margin lending. Similarly, while a prime broker, if appropriate, may provide a guarantee to a broker-dealer, this would have no impact on margin lending. It is generally the creditworthiness of the counterparty which determines whether margin lending will occur.

With respect to third party custodian (as opposed to a tri-party aqent) that holds assets directly in the name of the client, the prime broker would typically hold a security interest in such assets.

<ESMA\_QUESTION\_SFTR\_26>

1. What types of loans or activities, other than prime brokerage margin lending, would be captured in the scope of margin lending under the SFTR definition? Please provide details on their nature, their objective(s), the execution and settlement, the parties involved, the existing reporting regimes that these may already be subject to, as well as any other information that you deem relevant for the purpose of reporting.

<ESMA\_QUESTION\_SFTR\_27>

SFTR currently defines a margin lending transaction as:

“ . . a transaction in which the counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities”

This definition may capture items other than prime brokerage margin lending, for example settlement financing in connection with purchases of securities (e.g., an overdraft facility via custodian) and potentially, certain capital markets transaction.

AFME members propose that only prime brokerage margin lending used to purchase additional securities and entered into by a Fund (e.g. an AIFMD Fund or a 40 Act Fund) should be treated as captured in the scope of margin lending under the SFTR definition, i.e. lending to institutional clients via a bank/broker account with the primary purpose of trading financial securities on a leveraged basis.

In our view, there is no indication that the FSB envisaged that loans or activities other than prime brokerage margin lending should be captured. As the consultation paper notes, the FSB focuses on margin lending provided to non-retail clients in its description of the standards for SFT data collection. Further, quite apart from the many practical difficulties that such reporting would involve, we do not see how reporting on other types of loans (in particular to retail clients) would support the aims and objectives of the Regulation.

The RTSs to be published by ESMA should make clear that only loans secured by collateral in the form of securities in the prime brokerage space will be captured in the scope of margin lending under the SFTR definition. If this were not the case, further clarifications from ESMA would be required.

The consultation paper notes that: “As margin lending takes place against a pool of collateral or on a portfolio basis, many respondents to the Discussion Paper indicated that data reporting on a transaction basis would be very challenging and costly, or simply not feasible”. We fully agree with these respondents and would further add that in a retail or private client context, there are multiple ways in which the client could make use of the proceeds of a loan, in addition to simply purchasing securities, e.g. to meet their personal day to day expenditure needs or for investments outside the bank. There are also multiple ways in which a retail or private client could repay such a loan facility in addition to simply selling securities, i.e. external sources of repayment.

AFME members would particularly request clarification that Lombard loans in a private banking context are not considered to be in scope of SFTR. Lombard loans, i.e. loans extended to clients and collateralised by a pool of assets held by the borrower are a common service in private banking. The proceeds of these loans are typically used for payments unrelated to the initial investments (e.g. for consumption purposes). However, since they may also be used for the purchase of securities, certain Lombard loans would fall into the scope of a broader interpretation of the margin definition of Article 3(10) of SFTR.

We do not believe an interpretation this broad is suitable. In private banking, banks manage, and hold in custody, a wide variety of client assets including securities. Clients include individuals and private investment vehicles which typically have long-term investment strategies determining how they allocate their assets. These clients may have financing needs (e.g. in connection with acquiring consumer goods or with investing in an enterprise), without being willing to free up cash by selling securities because this would affect the long-term purpose of their asset allocation.

Lombard lending by private banks is a form of standard retail lending usually subject to consumer credit legislation (such as the Consumer Credit Derivative and, in some cases, the Mortgage Credit Derivative). Unlike institutional investors engaged in margin lending/prime brokerage clients, private banking clients do not typically trade on the same regular basis, using Lombard loans only for the characteristic features of margin lending, e.g. not for speculative leveraging of securities purchases. Rather to the contrary, the loans are used to ensure that financing needs do not impact the investment purposes.

Borrowers in Lombard lending by private banks are typically, though not always, retail clients (within the meaning of MiFID). Loan amounts usually have a much lower volume than in the institutional business and they usually have a much lower LTV, i.e. only a small portion of the assets serve as collateral. Furthermore, private banking Lombard lending does not normally include TTCAs or right to re-use collateral. Having such Lombard loans in the scope of SFTR reporting would extend its applicability from regulating shadow banking (cf. Recital 1 of SFTR) to traditional lending activities.

As regards practicality, loans tend to be drawn down into pre-existing cash accounts in the client’s name, containing existing cash holdings. At this point the funds arising from the loan are entirely indistinguishable from existing cash in the account, making tracking or monitoring of the use of the loan impossible. Therefore, it is impossible for banks to identify whether Lombard loans are used in connection with the purchase of securities etc. or whether they are used for different purposes, so the distinction called for in Article 3(1) of SFTR cannot be made. Therefore, and in order to enhance legal certainty, we recommend ESMA exempts Lombard loans in a private banking context from SFTR. This could be done in several ways, such as:

-       Specifying that Article 3(10) of SFTR shall not apply if the borrower is an individual or private investment company; alternatively, if the borrower is a retail client within the meaning of MiFID or a consumer within the meaning of the Consumer Credit Directive.

-       Exempting Lombard loans from reporting if they fall below a threshold of, for example, €100 million.

AFME notes the proposed narrowing of the applicability of SFTR reporting in connection with margin lending through delegated acts in the form of regulatory technical standards is covered by Article 290(1) of the Treaty on the Functioning of European Union and Article 10(1) of Regulation 1095/2010.

<ESMA\_QUESTION\_SFTR\_27>

1. Are there any obstacles to the collection of data on the amount of margin financing available and outstanding margin balance? Are there any alternatives to collect data on “Free credit balances”, as required by the FSB? Please provide an example.

<ESMA\_QUESTION\_SFTR\_28>

It is unclear, in the European context, what is meant by “free credit balance” as, typically, all client credit balance would be encumbered in that they are considered as collateral for prime brokerage client obligations. If this field remains, it would be reported only in the base currency

It should also be noted that this concept is more aligned to the US broker/dealer market and is not referenced within the European prime broker market.

<ESMA\_QUESTION\_SFTR\_28>

1. Are there any obstacles to the reporting of (positive or negative) cash balances in the context of margin lending?

<ESMA\_QUESTION\_SFTR\_29>

As previously highlighted to ESMA we could technically report net positive and net negative cash balances. However, as ESMA have recognised a margin loan is the net negative cash balance in the base currency. This will trigger the initial reporting obligation of the margin loan.

Although the margin loan will be reported in the base currency, the cash account could comprise other currencies with potential negative and positive balances. It is also important to note that these cash balances do not separately constitute margin loans and do not individually contribute to leverage in the system, and therefore are not necessary to report for the purposes of SFTR (and do not require separate UTIs).

<ESMA\_QUESTION\_SFTR\_29>

1. Are data elements on margin financing available and outstanding balances relevant for margin loans outside the prime brokerage context? Please provide examples.

<ESMA\_QUESTION\_SFTR\_30>

[TYPE YOUR RESPONSE HERE]

<ESMA\_QUESTION\_SFTR\_30>

1. Is the short market value reported to clients at the end of the day part of the position snapshot? What is the typical format and level of granularity included in the information communicated to clients?

<ESMA\_QUESTION\_SFTR\_31>

Yes, this is required under the relevant regulatory requirements. The format and granularity depends on the methodology of the particular prime broker. This information is typically provided as a “short market value” line item which is a proxy for securities borrowing and provides the aggregate amount of the client’s short position.

Where the client has a short position but there is no margin loan outstanding, we would still send a report reflecting the client’s short market value as financing would have taken place.

We would not expect to report this information separately via the securities lending templates because the collateral data would not fit within the envisaged ISLA/stock lending reporting template.

There is precedent in other regulations (FCA CASS Rules, AIFMD) for reporting in this manner.

ESMA\_QUESTION\_SFTR\_31>

1. Is the data element on short market value relevant for margin loans outside the prime brokerage context? Please provide examples.

<ESMA\_QUESTION\_SFTR\_32>

TYPE YOUR RESPONSE HERE

<ESMA\_QUESTION\_SFTR\_32>

1. Do you agree with the proposed structure of the SFT reports? If not, how you would consider that the reporting of reuse and margin should be organised? Please provide specific examples.

<ESMA\_QUESTION\_SFTR\_33>

We agree with the proposed structure of SFT reports i.e., data being split into 4 separate tables. This is based on the assumption that for SFTs which are collateralised on a net exposure basis we would not be required to populate the loan data fields within table 2 when reporting collateral data and vice-a-versa.

We generally agree with the distribution of the data elements between the four tables, but please see our comments to the data tables in the excel spreadsheet.

We would, however, like to specifically comment here on Field 1 (“Unique Transaction Identifier”) in Table 2 (Loan and collateral Data). Our view is that there should only be one UTI opened for the life of the prime broker’s relationship per client. This UTI would be used for all action types related to the particular client. This would best represent the legal relationship between the parties and the relationship of the loan or SMV to the collateral pool.

As an example, we have provided below a table which illustrates how and when the single UTI would be utilised:



**Key Features**

* The Margin Loan [‘Outstanding Loan’] and SMV [‘Short market value’] are only ever reported in base currency
* The UTI is preserved for the life of the trade, even if there is no Margin Loan or SMV for a period
* As the Margin Loan is 'Open term' = "true" and does not have an agreed 'Maturity date', 'Maturity date' will never be populated

We would be happy to discuss this matter further in more detail at your convenience.

<ESMA\_QUESTION\_SFTR\_33>

1. What are the potential costs and benefits of reporting re-use information as a separate report and not as part of the counterparty data? Please elaborate.

<ESMA\_QUESTION\_SFTR\_34>

We agree with collateral re-use data being reported separately to the counterparty data.

The main reasons being that the data to be included in both reports would be held in different systems and re-use data is to be reported at the LEI (collateral taker), ISIN level and not linked to the counterparty from whom collateral is being received. As such, there is no need for the information to be provided within the same report.

Please see our comments for questions 66 regarding the frequency of re-use reporting.

<ESMA\_QUESTION\_SFTR\_34>

1. What are the potential costs and benefits of reporting margin information as a separate report and not as part of the counterparty data? Please elaborate.

<ESMA\_QUESTION\_SFTR\_35>

The margin data table is only required to be reported for CCP cleared SFTs making it not applicable to margin lending.

<ESMA\_QUESTION\_SFTR\_35>

1. Are there any fields which in your view should be moved from the Counterparty to the Trade-related data or vice-versa? If so, please specify the fields clarifying why they should be moved.

<ESMA\_QUESTION\_SFTR\_36>

We generally agree with the data distribution in the counterparty and trade-related fields.

<ESMA\_QUESTION\_SFTR\_36>

1. Is Triparty agent expected to be the same for both counterparties in all cases? If not, please specify in which circumstances it can be different.

<ESMA\_QUESTION\_SFTR\_37>

We would expect to leave this field blank in the context of margin lending.

<ESMA\_QUESTION\_SFTR\_37>

1. Do you agree with the proposed fields included in the attached Excel document? Please provide your comments in the specified column.

<ESMA\_QUESTION\_SFTR\_38>

We have provided comments to the excel document.

<ESMA\_QUESTION\_SFTR\_38>

1. Do you agree with the proposal to identify the country of the branches with ISO country codes?

<ESMA\_QUESTION\_SFTR\_39>

Whilst we agree with reporting in this manner with respect to the reporting counterparty, we do not agree with the proposal to identify the country of the branches of the other counterparty with ISO country codes because as the reporting counterparty, a prime broker would not necessarily know which branch of the other counterparty was involved in the transaction. We also believe that some provision should be made for using the LEI ROC guidance when it becomes available.

<ESMA\_QUESTION\_SFTR\_39>

1. Do you agree with the proposed approach with regards to the reporting of information on beneficiaries? If not, what other aspects need to be considered? Please elaborate.

<ESMA\_QUESTION\_SFTR\_40>

We agree with the proposed approach with regards to the reporting of information on beneficiaries.

<ESMA\_QUESTION\_SFTR\_40>

1. Would exempting CCPs from reporting the Report Tracking Number field would reduce the reporting burden on the industry.

<ESMA\_QUESTION\_SFTR\_41>

This is not applicable to margin lending.

<ESMA\_QUESTION\_SFTR\_41>

1. Could you please provide information on incremental costs of implementing the proposal, taking into account that systems will have to be changed to implement the SFTR reporting regime in general?

<ESMA\_QUESTION\_SFTR\_42>

We assume that this questions relates to reporting tracking information of CCPs, and therefore is not applicable to margin lending.

<ESMA\_QUESTION\_SFTR\_42>

1. Could you please provide views on whether you would prefer Alternative 1 (prior-UTI) over Alternative 2 (relative referencing solution)? Please provide relative costs of implementing both proposals.

<ESMA\_QUESTION\_SFTR\_43>

As this question relates to CCPs, it is not applicable to margin lending.

<ESMA\_QUESTION\_SFTR\_43>

1. Do you agree with the above rules for determining the entity responsible for the generation and transmission of the UTI? If not what other aspects should be taken into account? Please elaborate.

<ESMA\_QUESTION\_SFTR\_44>

We agree with the proposed flowchart for margin lending reporting.

<ESMA\_QUESTION\_SFTR\_44>

1. Do you agree with the logic and framework for reporting of margins for CCP-cleared SFTs? What other aspects should be taken into account? Please elaborate.

<ESMA\_QUESTION\_SFTR\_45>

This is not applicable fro margin lending.

<ESMA\_QUESTION\_SFTR\_45>

1. Would you agree with the definition of terms? If not, please explain.

<ESMA\_QUESTION\_SFTR\_46>

The terms “collateral pool” and “collateral basket” should both include the deposit of cash and securities. In the context of prime brokerage margin lending, all transactions would be reported against a collateral portfolio. The portfolio could be used to collateralise other types of SFTs and derivatives.

<ESMA\_QUESTION\_SFTR\_46>

1. Are the cases for which collateral can be reported on trade level accurately described? If not, please explain.

<ESMA\_QUESTION\_SFTR\_47>

We note that the examples provided refer to repos and securities lending trades, and presume that this reflects an understanding that collateral reporting on trade level is not relevant to margin lending.

<ESMA\_QUESTION\_SFTR\_47>

1. In addition to the exceptions listed above, when would the collateral for a repo trade that does not involve a collateral basket not be known by the reporting deadline of end of T + 1?

<ESMA\_QUESTION\_SFTR\_48

This is not applicable to margin lending.

<ESMA\_QUESTION\_SFTR\_48>

1. Could the counterparties to a CCP-cleared cash rebate securities lending trade report an estimated value for the cash collateral in the markets in which the CCP calculates the initial cash value on the intended settlement date? If not, please explain.

<ESMA\_QUESTION\_SFTR\_49>

This is not applicable to margin lending.

<ESMA\_QUESTION\_SFTR\_49>

1. Are the cases for which collateral would be reported on the basis of the net exposure accurately described? If not, please explain.

<ESMA\_QUESTION\_SFTR\_50>

The cases for which collateral would be reported on the basis of the net exposure are accurately described in the context of margin lending.

<ESMA\_QUESTION\_SFTR\_50>

1. Is the understanding of ESMA correct that CCP-cleared trades are excluded from the calculation of net exposures between two counterparties? If not, please explain.

<ESMA\_QUESTION\_SFTR\_51>

This is not applicable for margin lending.

<ESMA\_QUESTION\_SFTR\_51>

1. Is the assumption correct that the counterparties can report the assets available for collateralisation in the collateral portfolio for margin lending with the balance of the outstanding loan? If not, please explain.

<ESMA\_QUESTION\_SFTR\_52>

 The assets in the portfolio of collateral can be reported at end of day separately to the balances of the outstanding loan.

<ESMA\_QUESTION\_SFTR\_52>

1. Are you aware of any scenarios that would require at the end of day the reporting of cash not only as principal amount, but also as cash collateral for repos? If yes, please describe.

<ESMA\_QUESTION\_SFTR\_53>

This is not relevant for margin lending.

<ESMA\_QUESTION\_SFTR\_53>

1. Would you foresee any specific challenges in implementing the proposed logic for linking? If yes, please explain.

<ESMA\_QUESTION\_SFTR\_54>

In a margin lending context, there are only two counterparties to the trade, and therefore we do not foresee any significant challenges in implementing the proposed logic for linking.

<ESMA\_QUESTION\_SFTR\_54>

1. In which case would counterparties need to provide a bilaterally agreed unique code to for linking trades to collateral? If yes, please explain.

<ESMA\_QUESTION\_SFTR\_55>

We do not believe that this is necessary in the prime brokerage context. While prime brokerage agreements are not standardised across all prime brokers, they generally contain similar provisions. We therefore suggest that “PBA” should be added as an extra value in Field 9 of Table 2 to include a prime brokerage agreement as a type of “master agreement”. This should be a single value field to cover all types of prime brokerage agreements. We believe that creating a specific and standardised field value to cover prime brokerage agreements would result in more useful information, as it would allow authorities to more efficiently filter result involving prime brokerage agreements rather than having firms report the prime brokerage agreement as “Other” and then populating a free text field with a description.

<ESMA\_QUESTION\_SFTR\_55>

1. Is there a case where more than one bespoke bilateral agreement is concluded between two counterparties?

<ESMA\_QUESTION\_SFTR\_56>

Not with respect to prime brokerage.

<ESMA\_QUESTION\_SFTR\_56>

1. Is it possible, for a pair of counterparties to have more than one master agreement or more than one bespoke agreement per SFT type? In these cases, please specify, how these agreements are identified between the counterparties? Please provide examples.

<ESMA\_QUESTION\_SFTR\_57>

In the prime brokerage context, counterparties will only have one prime brokerage master agreement. While the prime brokerage agreement might sit alongside a GMRA and GMSLA, for example, those agreements would be separately identified by the parties).

ESMA\_QUESTION\_SFTR\_57>

1. How costly would it be for your firm to report individual securities? If possible, please provide a quantitative estimation of the costs.

<ESMA\_QUESTION\_SFTR\_58>

It would be very difficult to determine or quantify the related costs because it is still unclear how, and under what framework, this would be reported. Given the volume of data that would be required, and the frequency with which we would need to report it, we believe that it would be very costly to report on this basis. ESMA should refer to the Europe Economics Survey for more information on costs.

We would strongly support the suggestion cited in paragraph 285 to report outstanding balances on a portfolio basis, but not at asset class level. It would better to report long market value in the portfolio. However, we note that the current reporting framework would need to be amended to reflect this reporting framework.

While reporting individual securities is possible, there are significant issues related to reporting in this manner. Reporting on this basis would result in ESMA and other entities receiving information on hundreds of thousands of transactions each day from each firm (and information on up to 5,000 pieces of collateral per position) with little or no benefit. It is difficult to understand exactly how the recipients of this information would be able to gather, process, analyse and store such volumes of information in a timely and efficient manner. Any benefit from receiving such large volumes of information would be far outweighed by the amount of personnel, time and monitoring systems required to maintain the framework.

At least one study has estimated that reporting under EMIR has resulted in approximately 330 million reports per week, and 27 billion reports between February 2014 and February 2015. We believe that the amount of information that would be received under SFTR as currently contemplated would be significantly higher. In addition, information on individual securities in the portfolio would not provide meaningful or useful information to ESMA or other regulators, or to other consumers of this information.

<ESMA\_QUESTION\_SFTR\_58>

1. Would the reporting of outstanding balances by asset class facilitate reporting? How costly would it be for your firm to develop and implement such a reporting? If possible, please provide a quantitative estimation.

<ESMA\_QUESTION\_SFTR\_59>

It is not current market practice to report outstanding balances by asset class so reporting in such a way would mean securities would have to be grouped (potentially through system changes) prior to reporting to trade repositories, and we do not believe this information would add any real value. There is continued uncertainty relating to how specific asset classes are defined, and where and how such assets classes should be categorised. Any attempt to report outstanding balances by asset class would necessarily be quite arbitrary and would likely lead to further confusion.

<ESMA\_QUESTION\_SFTR\_59>

1. Are there other obstacles to collecting position-level data on funding sources for each prime broker? If this is the case, please provide an example, and whether there is a viable alternative.

<ESMA\_QUESTION\_SFTR\_60>

We agree with your statement that funding sources cannot be tied to a particular transaction, but note that funding sources also cannot be attributed to a particular portfolio or counterparty.  In our view this particular data field is not appropriate for a daily transaction reporting regime because it involves arbitrarily allocating a proportion of these funding sources to particular transactions and counterparties. In practice firms, will finance their prime brokerage activity at a firm and/or business line level.  The process of applying a clearly defined scope and methodology to aggregate and refine funding sources data that comes from a mixture of trading desk and treasury group activity may be unduly burdensome for firms to report on a daily frequency. We note that reporting on funding sources is not required by the SFT Regulation (see Article 4(9)) and that this requirement goes beyond the EMIR requirements. We therefore ask that ESMA removes this field from the transaction reporting data template.

Instead we think that information on funding sources is more appropriately collected through periodic prudential reporting regimes. Such prudential reporting regimes typically require firms’ treasury groups and funding desks to periodically compile, verify and submit this kind of data in accordance with a clearly defined scope and methodology. The funding sources data field originates from the FSB paper “standards and processes for global securities financing data collection and aggregation” dated 18 November 2015 which recommends a “*minimum monthly reporting period and frequency*” (see p. 32) and does not mandate daily reporting. Firms currently report data on funding sources on a periodic basis to prudential regulators as part of their liquidity reporting requirements. An example of such reporting is the Additional Liquidity Monitoring Metrics (ALMM) that regulated UK firms report to the UK Prudential Regulation Authority on a monthly basis in connection with their Liquidity Coverage Ratio calculations. To require additional reporting of data on funding sources outside of these prudential reporting regimes risks data inconsistency, duplication and a disproportionate burden on reporting firms.

<ESMA\_QUESTION\_SFTR\_60>

1. What type of information or guidance would be required in order for funding sources to be reported consistently across all reporting counterparties?

<ESMA\_QUESTION\_SFTR\_61>

As described in Q.60 above, we think that information on funding sources is more appropriately collected through periodic prudential reporting regimes. Such prudential reporting regimes typically require firms’ treasury groups and funding desks to periodically compile, verify and submit this kind of data in accordance with a clearly defined scope and methodology. Firms currently report data on funding sources on a periodic basis to prudential regulators as part of their liquidity reporting requirements. An example of such reporting is the Additional Liquidity Monitoring Metrics (ALMM) that regulated UK firms report to the UK Prudential Regulation Authority on a monthly basis in connection with the Liquidity Coverage Ratio calculations. To require additional reporting of data on funding sources outside of these prudential reporting regimes risks data inconsistency, duplication and a disproportionate burden on reporting firms.

<ESMA\_QUESTION\_SFTR\_61>

1. Can data elements on funding sources be reported for margin loans outside the prime brokerage context? Please provide examples.

<ESMA\_QUESTION\_SFTR\_62>

As described in Q.60 above, we think that information on funding sources is more appropriately collected through periodic prudential reporting regimes. Such prudential reporting regimes typically require firms’ treasury groups and funding desks to periodically compile, verify and submit this kind of data in accordance with a clearly defined scope and methodology. The funding sources data field originates from the FSB paper “standards and processes for global securities financing data collection and aggregation” dated 18 November 2015 which recommends a “*minimum monthly reporting period and frequency*” (see p. 32) and does not mandate daily reporting. Firms currently report data on funding sources on a periodic basis to prudential regulators as part of their liquidity reporting requirements. An example of such reporting is the Additional Liquidity Monitoring Metrics (ALMM) that regulated UK firms report to the UK Prudential Regulation Authority on a monthly basis in connection with the Liquidity Coverage Ratio calculations. To require additional reporting of data on funding sources outside of these prudential reporting regimes risks data inconsistency, duplication and a disproportionate burden on reporting firms.

<ESMA\_QUESTION\_SFTR\_62>

1. How are portfolio leverage ratios calculated? Please provide an example of the formulas typically used.

<ESMA\_QUESTION\_SFTR\_63>

Portfolio leverage is generally related to the credit quality of the counterparty and the composition of the portfolio (i.e. the amount and type of collateral). Each prime broker uses its own methodology to calculate portfolio leverage, which is governed by bespoke agreements with each client. Therefore, it would be very difficult to provide a generic or industry-wide indication of how leverage ratios are calculated or the formulas that are typically used. Two key nuances would exist in each Prime Broker’s calculations regarding the treatment of non-linear derivatives and certain arbitrage strategies. The collection and aggregation of data that does not consider these two nuances would be meaningless.

Ultimately we do not feel that they should be required.

<ESMA\_QUESTION\_SFTR\_63>

1. What are the potential costs of providing the re-use data as outlined in this section? Are there other options to link collateral that is re-used to a given SFT or counterparty? Please document the potential issues. Please elaborate.

<ESMA\_QUESTION\_SFTR\_64>

It is possible to provide information as outlined in paragraph 305, with certain understandings, for example, that the definition of collateral received/eligible for reuse means collateral received in respect of an SFT transaction which is available to be reused. It is also very important that ESMA provide clear definitions of each component of the reuse calculation, which are consistent with the definitions set out by the FSB.

The difference between the fields “value of re-use collateral” and “estimated re-use of collateral” is unclear. It is our expectation that “estimated re-use of collateral” would be populated with the result of the re-use calculation but we would welcome clarity.

ESMA\_QUESTION\_SFTR\_64>

1. Would it be easier to report collateral re-use in a separate message as proposed or, it will be better repeating the information as part of the counterparty data?

<ESMA\_QUESTION\_SFTR\_65>

We agree with the ESMA proposal to report collateral re-use in a separate message.

<ESMA\_QUESTION\_SFTR\_65>

1. Would the effort of reporting re-use on a weekly or monthly basis reduce significantly the costs?

<ESMA\_QUESTION\_SFTR\_66>

We believe that such reporting will entail significant costs, as in each case we will need to build out systems.

Given the large number of ISINs that the calculation would need to be completed for, the calculations could take a long time to complete and it would be challenging to report the information on a daily basis. Our preference would therefore be to be report collateral re-use each month. ESMA would not receive significant volumes of data on a daily basis and would have sufficient information to monitor collateral re-use.

<ESMA\_QUESTION\_SFTR\_66>

1. Are there cash re-investment programmes for agent lenders acting as principal?

<ESMA\_QUESTION\_SFTR\_67>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_67>

1. Do you agree that the term type and the way maturity is measured (e.g. weighted average maturity) are appropriate elements for the purpose of monitoring potential liquidity risks from maturity mismatch between the securities loan and the reinvestment of cash collateral? Are there other elements you believe ESMA should consider collecting? Do you see any obstacles to the reporting of these elements, or their analysis? Please explain.

<ESMA\_QUESTION\_SFTR\_68>

This is not relevant for margin lending.

<ESMA\_QUESTION\_SFTR\_68>

1. What is the methodology your firm uses to compute the weighted-average life and maturity of cash collateral portfolios? Do you expect this methodology to vary significantly across firms?

<ESMA\_QUESTION\_SFTR\_69>

This is not relevant for margin lending.

 <ESMA\_QUESTION\_SFTR\_69>

1. Do you agree with the proposed approach? What other aspects need to be taken into account? Pleas elaborate.

<ESMA\_QUESTION\_SFTR\_70>

We generally agree with the proposed “yes” or “no” approach. However, ESMA should note that just because collateral is reported as being available to re-use it does not mean that it is necessarily being re-used.

<ESMA\_QUESTION\_SFTR\_70>

1. Do you agree with the proposed approach? Please elaborate.

<ESMA\_QUESTION\_SFTR\_71>

We note and agree that, per the data tables, this item is not applicable to margin lending.

<ESMA\_QUESTION\_SFTR\_71>

1. Do you agree with the proposed approach with regards to reporting of master agreements? What other aspects need to be considered? Please elaborate.

<ESMA\_QUESTION\_SFTR\_72>

We generally agree with the proposed approach with regards to reporting of master agreements. However, while prime brokerage agreements are not standardised across all prime brokers, they generally contain similar provisions. We therefore suggest that “PBA” should be added as an extra value in Field 9 of Table 2 to include prime brokerage agreements as a type of “master agreement”. We believe that creating a specific and standardised field value to cover prime brokerage agreements would result in more useful information, as it would allow authorities to more efficiently filter result involving prime brokerage agreements rather than having firms report the prime brokerage agreement as “Other” and then populating a free text field with a description.

<ESMA\_QUESTION\_SFTR\_72>

1. Do you agree with the proposed approach with regards to reporting of method of trading? What other aspects need to be considered? Please elaborate.

<ESMA\_QUESTION\_SFTR\_73>

It is unclear how information on method of trading would help ESMA in monitoring financial stability.

However, we agree with the deletion of the method of trading fields and that it would be best to collect this information using a periodic market-wide survey.

<ESMA\_QUESTION\_SFTR\_73>

1. In your view, what information on the nature of the indemnification (guarantee of the value, replacement of the securities, etc.), relevant for the monitoring of financial stability in relation to indemnifications could be reported? What type of data would be reported for each of the suggested elements reported e.g. values, percentages, other? Please elaborate.

<ESMA\_QUESTION\_SFTR\_74>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_74>

1. Do you agree with the proposed structure of the validation rules? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_75>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_75>

1. Do you agree with the proposed scope of the reconciliation process? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_76>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_76>

1. Do you consider that the proposed framework for collateral reconciliation process should take place in parallel with the reconciliation of the loan data? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_77>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_77>

1. Do you agree with the use of ISO 20022 for the purposes of ensuring common format and common encoding of files exchanged between TRs during the inter-TR reconciliation process? If not, what other common standard would you propose?

<ESMA\_QUESTION\_SFTR\_78>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_78>

1. Do you agree with standardising the timeline for finalisation of the inter-TR reconciliation process? Do you agree with the proposed timeline for finalisation of the inter-TR reconciliation process? If not, what would be a most appropriate timeline? What other aspects should be taken into account? Please elaborate.

<ESMA\_QUESTION\_SFTR\_79>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_79>

1. Do you agree with the fields proposed for reconciliation? Which other should be included, or which ones should be excluded? Please elaborate.

<ESMA\_QUESTION\_SFTR\_80>

AFME members are of the opinion that the proposed fields could be reconciled by the TRs, however we note that ESMA proposes to reconcile every security in the collateral portfolio to the level of the following:

|  |  |
| --- | --- |
| ***No*** | ***Field*** |
| *65* | *Type of collateral component* |
| *68* | *Identification of a collateral component*  |
| *73* | *Collateral quantity or nominal amount* |
| *74* | *Currency of collateral nominal amount* |
| *75* | *Price currency* |
| *76* | *Price per unit* |
| *77* | *Collateral market value* |
| *79* | *Collateral quality* |
| *80* | *Maturity of the security* |
| *81* | *Jurisdiction of the issuer* |
| *82* | *LEI of the issuer* |

ESMA should be aware that the can be thousands of lines in a collateral portfolio, which may artificially inflate any breaks if magnified for a number of attributes. This would also place considerable processing burden on the TRs without necessarily adding any meaningful transparency. We further note that many of these are static data elements rather than attributes to be agreed between the reporting parties.

<ESMA\_QUESTION\_SFTR\_80>

1. Do you agree with the proposed tolerance levels? Which other tolerance levels would you suggest? Please elaborate.

<ESMA\_QUESTION\_SFTR\_81>

AFME members would like to make two general observations:

1. Greater tolerances should be applied as exact matches are not always necessary to highlight risk or genuine discrepancies
2. The tolerances currently prescribed are not optimal. Instead we propose some variation on the following:
* All timestamps: ± 1 hour
* All “currency amounts”: ± $50 equivalent
* All prices to 3rd digit after the decimal [could still cause issues due to differing pricing sources]
* Percentage to 3rd digit after the decimal (ie unchanged)

We would also like to refer ESMA to the comments we have added to the tables in the excel document.

<ESMA\_QUESTION\_SFTR\_81>

1. What other fields are suitable for establishing tolerance levels? What should be the tolerance level for those fields? Should the tolerance level be linearly or logarithmically related to the values? What other aspects should be taken into account? Please elaborate.

<ESMA\_QUESTION\_SFTR\_82>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_82>

1. Do you agree with the proposed logic for rejections messages? Do you agree with the proposed statuses of rejection messages? What other aspects should be taken into account? Please elaborate.

<ESMA\_QUESTION\_SFTR\_83>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_83>

1. Do you agree with the proposed reconciliation statuses? What other aspects should be taken into account? Please elaborate.

<ESMA\_QUESTION\_SFTR\_84>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_84>

1. Do you agree with the proposed end-of-day response to reporting counterparties, report submitting entities and entities responsible for reporting? What other information should be included? What are the potential costs of this information? Please elaborate.

<ESMA\_QUESTION\_SFTR\_85>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_85>

1. What other End-of-day reports can be provided to reporting counterparties, report submitting entities and entities responsible for reporting

<ESMA\_QUESTION\_SFTR\_86>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_86>

1. Do you agree with the proposed aggregation criteria? What other aspects should be taken into account? Please elaborate.

<ESMA\_QUESTION\_SFTR\_87>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_87>

1. Do you agree with the proposed technical aspects on aggregation of data? What other aspects should be taken into account?

<ESMA\_QUESTION\_SFTR\_88>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_88>

1. Do you agree with the proposed timeline for keeping the data available on the website? Please elaborate.

<ESMA\_QUESTION\_SFTR\_89>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_89>

1. At which point in time do you consider that the additional data elements regarding an SFT will be available for authorities? What are the potential costs of the inclusion of the above mentioned additional data elements? Please elaborate.

<ESMA\_QUESTION\_SFTR\_90>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_90>

1. What other data elements could be generated by the TRs and provided to authorities? Please elaborate.

<ESMA\_QUESTION\_SFTR\_91>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_91>

1. In case a preliminary reconciliation status report is provided, what elements it should include? Please elaborate

<ESMA\_QUESTION\_SFTR\_92>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_92>

1. Considering the proposed termination of the inter-TR reconciliation process at 18:00, when at the earliest can a TR submit the reconciled data to the authorities?

<ESMA\_QUESTION\_SFTR\_93>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_93>

1. What is the optimal delay for provision of SFT position-level reports? What are the potential costs of the generation of above mentioned position reports? What other reports would you suggest to be provided by the TRs? Please elaborate.

<ESMA\_QUESTION\_SFTR\_94>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_94>

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 containing 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\_95>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_95>

1. Do you agree with the proposal? What other aspects should be taken into account? Please elaborate.

<ESMA\_QUESTION\_SFTR\_96>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_96>

1. Do you agree with the proposed approach to avoid double counting? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_97>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_97>

1. Do you agree with the proposed approach for single access per authority irrespective of the number of responsibilities and mandates it has? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_98>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_98>

1. Do you agree with the proposed way to establish transaction level access to data reported under EMIR? What are the costs of establishing such a level of access? Please elaborate.

<ESMA\_QUESTION\_SFTR\_99>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_99>

1. Do you agree with the proposed way to establish transaction level access to data reported under SFTR? What are the costs of establishing such a level of access? Please elaborate.

<ESMA\_QUESTION\_SFTR\_100>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_100>

1. Do you agree with the proposed functional approach under EMIR? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_101>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_101>

1. Do you agree with the proposed territorial approach under SFTR? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_102>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_102>

1. Do you agree with the proposed levels of access do data reported by branches included in section 6.5? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_103>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_103>

1. Do you agree with the proposed levels of access do data reported by subsidiaries under EMIR included in sections 6.5.1 – 6.5.5? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_104>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_104>

1. Do you agree with the proposed levels of access data reported by subsidiaries under SFTR included in sections 6.5.1 –6.5.5? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_105>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_105>

1. Is there any possible way to ensure the access to TR data from the perspective of commodities? Please elaborate.

<ESMA\_QUESTION\_SFTR\_106>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_106>

1. Do you agree with the proposed access levels under SFTR for authorities competent for securities and markets? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_107>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_107>

1. Do you agree with the proposed access levels under SFTR for authorities supervising CCPs? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_108>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_108>

1. Do you agree with maintaining the current access levels under EMIR for ESCB issuer of the currency? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_109>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_109>

1. Do you agree with the proposed access levels under SFTR for ESCB issuer of the currency? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_110>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_110>

1. Do you agree with the proposed access levels under SFTR for authorities competent for takeover bids? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_111>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_111>

1. Do you agree with the proposed access levels under SFTR for ESMA and ESRB? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_112>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_112>

1. Do you agree with the proposed access levels under SFTR for ACER? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_113>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_113>

1. Do you agree with the proposed access levels under EMIR for EBA and EIOPA? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_114>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_114>

1. Do you agree with the proposed access levels under SFTR for EBA and EIOPA? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_115>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_115>

1. Do you agree with the proposed access levels under EMIR for ECB in carrying out its tasks within a single supervisory mechanism? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_116>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_116>

1. Do you agree with the proposed access levels under SFTR for ECB in carrying out its tasks within a single supervisory mechanism? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_117>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_117>

1. Do you agree with the proposed access levels under EMIR for national authorities competent for the prudential supervision under CRD IV and CRR which participate in the SSM? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_118>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_118>

1. Do you agree with the proposed access levels under SFTR for national authorities competent for the prudential supervision under CRD IV and CRR which participate in the SSM? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_119>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_119>

1. Do you agree with the proposed access levels under EMIR for national authorities competent for the prudential supervision under CRD IV and CRR which do not participate in the SSM? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_120>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_120>

1. Do you agree with the proposed access levels under SFTR for national authorities competent for the prudential supervision under CRD IV and CRR which do not participate in the SSM? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_121>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_121>

1. Do you agree with the proposed access levels under EMIR for national supervisory authorities under Solvency II? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_122>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_122>

1. Do you agree with the proposed access levels under SFTR for national supervisory authorities under Solvency II? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_123>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_123>

1. Do you agree with the proposed access levels under EMIR for national competent authorities under UCITS and AIFMD? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_124>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_124>

1. Do you agree with the proposed access levels under SFTR for national competent authorities determined under Solvency II? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_125>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_125>

1. Do you agree with the proposed access levels under EMIR for national resolution authorities? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_126>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_126>

1. Do you agree with the proposed access levels under EMIR for SRB? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_127>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_127>

1. Do you agree with the proposed access levels under SFTR for national resolution authorities? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_128>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_128>

1. Do you agree with the proposed access levels under SFTR for SRB? If not, what other aspects should be taken into account. Please elaborate.

<ESMA\_QUESTION\_SFTR\_129>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_129>

1. Are there any other aspects that need to be included in the procedure to be put in place by the trade repository? Please elaborate.

<ESMA\_QUESTION\_SFTR\_130>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_130>

1. Is there any additional information that needs to be included in the templates and tables? Please elaborate.

<ESMA\_QUESTION\_SFTR\_131>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_SFTR\_131>